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ABSTRACT

The report summarizes results from a mental retardation/developmental disabilities (MR/DD) expenditure analysis study. Three parts comprised the study: (1) the state government expenditure analysis which covered fiscal years (FY) 1977 through 1984, and dealt primarily with state general fund expenditures of the principal MR/DD state agency, the state's use of federal reimbursements for intermediate care facilities for the mentally retarded (ICF/MR), and its use of Federal Social Services Block Grant funding (Title XX); (2) a more historically comprehensive analysis of federal government expenditures which covered the period 1945-1985 and analyzed funding data from 82 federal MR/DD programs in the areas of services, research, training, income maintenance, and construction; and (3) an intergovernmental analysis. Results of the state analysis include state rankings on three scales of state MR/DD fiscal effort: personal income share, total state budget share, and per capita expenditure. Cumulative fiscal efforts over the 8-year period (FY1977-84) are also illustrated in a table for community services, institutional services, and both sectors combined. The federal analysis includes a tracing of the historical evolution of federal MR/DD activity from 1914 to the present. The chapter on intergovernmental expenditures looks at trends in state-federal MR/DD spending and state expenditure shifts toward community objectives. Extensive appended materials are included. (CL)

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PUBLIC EXPENDITURES FOR MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES IN THE UNITED STATES: ANALYTICAL SUMMARY (A Working Paper)

-by-

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Expenditure Analysis Project
Evaluation and Public Policy Program
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March, 1985

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The data presented in the Analysis of State Government Expenditures in Chapter 2 was gathered with financial support during 1982-84 from the Administration on Developmental Disabilities, Office of Human Development Services, U.S. Department of Health and Human Services. The authors wish to extend their sincere appreciation to Commissioner Jean Elder, Ph.D., for enabling this study to be undertaken. The abbreviated data presented in Chapter 2 on spending trends in the states are available from the Institute in a more comprehensive document entitled Public Expenditures for Mental Retardation and Developmental Disabilities in the United States: State Profiles. This is Monograph Number Five in the Evaluation and Public Policy Program's Public Policy Monograph Series.

The authors would also like to express their gratitude to officials in the 50 states and the District of Columbia, and at the Council of State Governments, who assisted us in obtaining state government budgets and related financial documentation. Their assistance was essential to the completion of the analysis of state spending. State mental retardation program directors and their financial staffs also helped verify the data. However, the authors wholeheartedly accept all responsibility for any errors or omissions in this Working Paper.

The analysis of Federal Government spending trends which appears as Chapter 3 was carried out primarily without Federal support. FY 1985 spending data, however, were gathered and analyzed under the auspices of a grant from the National Institute of Handicapped Research, U.S. Department of Education. A more comprehensive version of the Federal Analysis will be available from the Evaluation and Public Policy Program in April, 1985, as a working paper.

The present working paper is receiving limited distribution, restricted to state and Federal agencies involved in the Study. We encourage readers to bring suggested revisions to our attention so that final publication can reflect the most accurate data available.

David Braddock
Richard Hemp
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March, 1985

PUBLIC EXPENDITURES FOR MENTAL RETARDATION AND
DEVELOPMENTAL DISABILITIES
IN THE UNITED STATES: ANALYTICAL SUMMARY

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PUBLIC EXPENDITURES FOR MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES: ANALYTICAL SUMMARY

CHAPTER 1
INTRODUCTION

Overview of the Study

This working paper presents an overview of the results of the MR/DD Expenditure Analysis Study. The study had three components: the State Government Expenditure Analysis; the Analysis of Federal Expenditures; and the Intergovernmental Analysis. The State Analysis identified and described state government spending patterns for financing community and institutional services in the United States. It covered the FY 1977-84 period and dealt primarily with state general fund expenditures of the Principal MR/DD State Agency; the state's utilization of Federal ICF/MR reimbursements, and its utilization of the Federal Social Services Block Grant (Title XX). This State-focused analysis extended to each of the 50 states and the District of Columbia.

The primary purpose of the State Government study was to improve the field's understanding of important fiscal and programmatic trends that have taken place in many states in recent years. In the 1970's, for example, Nebraska and Minnesota implemented major new priorities in financing MR/DD services. These new policies involved more extensive use of state and Federal funds for supporting community-based services as alternatives to institutional care. A comprehensive survey of public MR/DD expenditures on a state-by-state basis would thus reveal the extent to and manner in which states leading the community-care movement were financially underwriting community services development. It would also identify those states which, for whatever reasons, were lagging behind the national leaders in this area. The implicit assumption was that an MR/DD service system dominated by community alternatives could not exist without dominant community services funding.

The second component of the Study--an analysis of Federal Government expenditures--had a rationale and research design distinct from, but complementary to, the state government study. The United States Government provides a good deal more Federal resources for the support of MR/DD activities than was reflected in the design of the State Government Analysis, which considered specifically Title XIX ICF/MR reimbursements and Social Services Block Grant funding (Title XX). The Federal analysis, on the other hand, was designed to be programmatically comprehensive in scope, analyzing data from 82 Federal MR/DD programs in the areas of services, research, training, income maintenance, and construction. The Federal analysis was also historically comprehensive, encompassing the 1945-85 period, and not merely FY 1977-84, as was the case with the State Government component of the Study.

The third component of the Study was an "Intergovernmental Analysis" which integrated the unduplicated financial data emanating from the State and the Federal Government expenditure studies into a single, unified intergovernmental analysis. Nationwide estimates for state and local funds not previously included in the State or Federal analyses were infused into the analytical model at this stage. These funds included 1) state income maintenance payments (SSI state supplements), 2) state and local special education funds, and 3) local non-educational expenditures.

Related Literature

The role of expenditure studies in the broader field of policy analysis begins with the explicit conceptual linkage between the expenditures and public policy in the given area of expenditure. The theoretical framework underlying expenditure studies is the classic conception of a responding political system described by Easton (1965). The political system consists of three interrelated parts: 1) political inputs such as citizen needs mediated through the organized demand structure of political parties and special interests; 2) decision-making agencies (executive and legislative agencies, and the judiciary); and 3) policy outputs, including statutes, expenditures, executive orders, and judicial decrees. An expenditure study "measures" the relative scope and intensity of political system outputs--using funds budgeted as the indicator of policy-in-action in the particular area of interest.

Studies of government policy-making have frequently relied solely on revenue and spending data to "measure" policy. Hofferbert (1972) in his extensive review of state and local policy studies termed such measures "intermediate output indicators." The budgeting of funds is often the most convenient fiscal record available in the administrative files of executive agencies and legislative bodies. Because the information is quantified, there is also a certain attraction to both the statistical possibilities and to the subtle impression of precision yielded from working with numbers. "From the standpoint of ease and rigor of analysis," Hofferbert observes, "the advantages of relying on spending and revenue figures are obvious" (p. 36).

Wildavsky (1975) advocates the use of budgetary data in policy studies because they are readily quantifiable and less warped by subjective judgement than most other analytic indicators. When budgets are studied, one works implicitly with a politics of choice. Because government resources are limited, allocative constraints are always imposed upon the participants. Constituencies such as those interested in MR/DD policy actions are literally told how well their interests are faring in the State House and in Washington by written and verbal reports of dollar distributions. In turn, these constituencies direct political influence in accord with what those dollars show or fail to show.

The indicators chosen to represent policy should be understood by the affected consumer population or their advocates, by the research community, and by key political actors to relate to the underlying concepts being studied. Johnson (1975) argues that for policy research "the ultimate test

of the validity of indicators as well as the value of our research therefore must be external to our research community" (p. 89). "Every set of measures is a partial representation--is in fact, a kind of mini-theory which hypothesizes the relation between concepts and indicators" (p. 83).

The theory implicit in the present expenditure investigation is that the care of developmentally disabled people in community settings is an ascendent political value in our society generally, and in most individual states. The care of people with developmental disabilities in institutional settings is at best only a stable political value, and is a declining one in many states. Testing these assumptions using state-Federal expenditures over time to index the political values assigned to MR/DD institutional and community services was a major feature of the investigation.

Spending figures in isolation, however, often tell us little or nothing about the quality of programs, the fairness with which funds are deployed, nor the relative efficiency with which these dollars are spent. Thus, generalization solely from a fiscal perspective for any complex human services issue area like mental disability is, although useful and important, limited. One must go beyond mere budget figures and operationalize other meaningful indicators of public policy in action (Rose, 1973; Gray & Wanat, 1974, cited in Johnson, 1975; Gray, 1980).

Calls for MR/DD Expenditure Studies

Presidential and cabinet-level committees concerned with mental disability have stressed the need for accurate and regularly updated state-by-state data on trends in public spending for many years, but to little avail. The list includes, but is not limited to, the President's Panel on Mental Retardation (1962), the HEW Secretary's Task Force on the Mentally Handicapped (1966), the President's Committee on Mental Retardation (1976), and the White House Conference on the Handicapped (1977). Individual investigators have also periodically made similar recommendations (Braddock, 1973, 1974, 1981; Wieck & Bruininks, 1980).

In 1978, the American Bar Association's Task Force on Mental Disability made the strongest case to date by a major organization for the initiation of an expenditure study. This group seemed to recognize even more deeply than other blue-ribbon panels that regularly obtaining nationwide expenditure data was essential to the long-term development of the MR/DD field. It is interesting to speculate why this particular group of advocates may have expressed the interest in public expenditure studies.

At the time, major class action lawsuits were pending or completed in 38 states. Advocates had begun to frame legal arguments asserting the rights of institutionalized persons to receive services in community settings. They believed institutional reform litigation, which was preoccupied with institutional conditions, had not gone far enough. When courts and lawyers began to monitor the reduction of state institutional populations and the supposedly concomitant strengthening of supportive community-based services, they discovered a chronic lack of data on what states were spending for community care. Financial information characterizing the relative fiscal priority that the states assigned to community versus institutional activities was simply not available.

The ABA Commission disseminated its recommendation for an expenditure study like the other committees and went one step further. It retained the services of Naomi Caiden, a political scientist specializing in public budgeting, to advise them. Caiden (1978) documented why a detailed knowledge of expenditures was necessary in any growing field. She saw an expenditure study as "an essential first step to further exploration," and "an important indicator in its own right." Such data "provides a standard of comparison with those for other goods and services in both public and private spheres." It enables one to "distinguish those making strong effort from the laggards"; serves as a "strong component in enforcing accountability"; and provides relevant information that is "essential for policy-making and making projections for the future" (p. 4).

An MR/DD public expenditure study would be a formidable challenge, however. Caiden's (1978) frank description of the obstacles impeding the research was explicit and intimidating. The organizational fragmentation of MR/DD programs in the states, she wrote:

> ...affects the collection of figures on state expenditures through the difficulty in establishing uniform concepts and categories, the sheer size of the undertaking, and the problem of disentangling [budget] items concerned with mental retardation from more general human service categories (p. 5).

A second investigative obstacle concerned the difficulty in acquiring and comparing state budget figures. Caiden continued:

> ...the lack of standardized budgeting formats, the problem of working out what to include, and the labor involved in gaining access to the multitude of relevant budgets have so far daunted attempts at systematic or continuing study (p. 5).

Cogan (1980) has stated that no authors to his knowledge have completed research "on the subject of budgeting for state funded organizations below the state agency or bureau level" (p. 87). Previous comparative state policy research at the program level has principally been focused on welfare policy, usually Aid to Families with Dependent Children (AFDC), which is primarily funded by the Federal Government. Data sources for comparative state policy research have invariably emanated from Federal agencies such as the Bureau of the Census, rather than from state budget documents (Gray, 12/1/83).

Institutional Cost Studies

Nationwide surveys of institutional costs have been disseminated routinely since 1919, beginning with the publication of the Statistical Directory of State Institutions for Defective, Dependent, and Delinquent Classes (discussed in Lakin, Krantz, Bruininks, Clumpner, & Hill, 1982; in Lakin, 1979, and in Wolfensberger, 1969). A cost component was introduced into the U.S. Census Bureau's annual demographic survey of state institutions in 1923. This basic instrument was administered annually from 1926-46. Between 1947-67 the National Institute of Mental Health conducted annual cost surveys. In 1969-70, surveys were conducted by the Division on Mental Retardation in the Department of Health, Education, and Welfare. Surveys of institutional spending since 1974 have often been conducted with Federal support, but under academic or private association auspices (Hauber, Bruininks, Hill, Lakin, Scheerenberger, & White, 1984; Krantz, Bruininks, & Clumpner, 1978, 1979; Rotegard, & Bruininks, 1983; Rotegard, Bruininks, & Krantz, 1984; Scheerenberger, 1974, 1976, 1978, 1979, 1982, 1983).

Institutional cost surveys and studies to date have almost exclusively been restricted to reporting per diems. Exceptions included Wieck and Bruininks' (1980) comprehensive analysis of residential care costs in 1978, Gettings and Mitchell's (1980) study of construction spending in the states during 1977-79, and Scheerenberger's (1976a) survey of institutional spending for personnel in the states.

Community Cost Studies

A number of studies have indicated that community-based services for persons with developmental disabilities have been expanding rapidly in the United States (Hauber, Bruininks, Hill, Lakin, Scheerenberger, & White, 1984; Janicki, Mayeda, & Epple, 1983; O'Connor, 1976). The great majority of the expenditures to support this expansion has stemmed from the public sector--primarily from state and Federal funds (Braddock, 1974; Wieck & Bruininks, 1980; Gettings & Mitchell, 1980; Copeland, & Iverson, 1981).

A comprehensive study by Wieck and Bruininks (1980) employed a nationwide probability sample of residential facilities to ascertain national spending patterns by Federal, state, and local units of governments. Total projected state contributions to nationwide public residential facility (PRF) revenue was $1.9 billion for FY 1977-78. This was 73 percent of total state-Federal institutional revenues of $2.6 billion. The state contribution to community residential facility financing, however, was only $120 million. Total community sector revenue was $478 million, and the state's share was 25 percent of this amount (pp. 112-113).

Another group of MR/DD studies addressed the issue of comparing institutional and community care costs. On the whole, comparative cost studies have indicated that significant public cost-savings were associated with placement in the natural home, and that residential relocation from an institution to a community setting has frequently occasioned a shift in certain cost responsibilities from state government to Federal and local governments. There is some evidence that community-based care is less expensive (often much less expensive) than institutional care for non-severely disabled persons who are mentally retarded, but free from complex and expensive medical problems (Murphy & Datel, 1976; Jones & Jones, 1974; Intagliata, Willer, & Cooley, 1979; all reviewed in Braddock, 1981).

Other studies, however, failed to find consistent differences in costs of care between institutional and community programs (Mayeda & Wai, 1976; Templeman, Gage, Fredericks, & Bird, 1982). Ashbaugh's (1984) comparative cost analysis, a component of the Pennhurst Longitudinal Study, recently reported an average daily community-based residential care program cost of 70% of the average cost of comparable care at Pennhurst. The cost of care per hour of direct staff time in typical community settings was only 40% of the comparable cost at Pennhurst.

CHAPTER 2
ANALYSIS OF STATE GOVERNMENT EXPENDITURES: FY 1977-84

Structure of the Analysis*

Methodology

Two-hundred and fifty state executive budgets spanning the FY 1977-84 period were obtained from research libraries at the Council of State Governments in Lexington, Kentucky, and Washington, D.C., the Center for Research Libraries in Chicago, and directly from the states. Relevant mental retardation and developmental disabilities components of the budget documents were duplicated and filed on a state-by-state basis at project headquarters. Next, institutional and community spending over the 1977-84 period was summarized in draft ledgers using the same terminology and budget concepts contained in the states' published executive budgets. The draft ledgers guided subsequent interviews with state officials, and also were the basis of the parsimonious revenue categories ultimately used for analysis.

In conjunction with the construction of an electronic spreadsheet for each state, detailed technical notes were prepared. The notes drew from the published state executive budgets and from extensive follow-up interviews with state officials in the medical assistance, social services, and mental retardation/developmental disabilities state agencies. Information on state administrative organization, budgetary structure, and sources of data were delineated in the technical notes. Extensive analytical graphics were also generated for each state. Technical notes and spreadsheets were reviewed and verified by mail from January to April, 1984, by officials of the principal state MR/DD agencies. A second verification process included state agency review of the analytical graphics and was completed between September and November, 1984. For additional information on the study's design, see Braddock et al. (1984; 1985).

Institutional and community services financial data were classified into the following revenue categories:

Institutional Services Expenditures

State Expenditures
- State General Funds
- Other State Funds

Federal Expenditures
- ICF/MR Reimbursements
- Title XX-Block Grant Funds (Social Services)
- All Other Federal Funds

*Unless otherwise noted, all references to year (excluding citations) refer to Fiscal Year.

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The "State General Funds" category included all funds budgeted under general appropriations acts of the state legislatures. "Other State Funds" included state ICF/MR and Title XX matches, when those matches were budgeted outside the General Funds accounts of the principal MR/DD state agencies. (If the state match was carried in the principal MR/DD state agency's budget, it was included in the "State General Fund" category.) "Other State Funds" also included dedicated revenues such as special funds, lottery and bingo receipts, and client fees. The "Other Federal Funds" category included monies expended for Title I/Chapter I Educational Aid; Medicare; Champus; and various small research, training, and demonstration projects.

Community Services Expenditures

State Expenditures

- State General Fund
- Other State Funds
  - Private ICF/MR State or County Match
  - Social Services Title XX State or County Match
  - Miscellaneous receipts and special levies or dedicated taxes

Federal Expenditures

- Federal-Share ICF/MR - Public Sector (State-operated Group Home)
- Federal-Share ICF/MR - Private Sector
- Title XIX Community Care Waiver Federal Share
- Federal Social Services Title XX/Block Grant Revenues
- Other Federal Revenues (e.g. DD Act, Champus, Project Grants)

Income maintenance (Supplemental Security Income and Social Security Disability Insurance) and special education expenditures were uniformly excluded from the State analysis, since data of acceptable quality were not available on a state-by-state basis. However, these important programs are addressed in Chapter 3 of this Working Paper.

Definitions

An "institutional expenditure" was defined to include all operating funds, including fringe benefit costs, appropriated for state-operated institutions, developmental centers, training centers, state schools, and for discrete mental retardation/developmental disability units in state psychiatric hospitals. Funds budgeted in institutional accounts supporting group homes and related services in community settings were excluded. Institutional funds supporting group homes on institutional grounds were considered institutional expenditures. Construction expenditures were excluded from the analysis of operational costs.

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"Community services expenditures" were defined to include state budget lines for 1) purchase of services from community-based providers of habilitation, day training, residential, respite, case management, work related, or other programs; 2) regional office operations with state government staff assigned to community-based services oversight or development; and 3) state-financed direct service operations in community settings. Group homes carried in institutional budgets and physically located on institutional grounds were not considered community expenditures. If such facilities were located in community settings, they were considered community expenditures regardless of their location in the state budget.

"Principal State MR/DD Agency" was the state department, agency, division, bureau, office or other administrative subdivision primarily responsible for planning, funding and managing institutional and community services. In most states the agency was the MR/DD Division within the state's Department of Mental Health and Mental Retardation. When a state placed institutional and community services into separate Departments, our Prinicipal State MR/DD Agency expenditure figures included both Departmental components.

"Capital Expenditures": Funds deployed for institutional construction or for non-routine renovation projects in institutions were excluded. Bond issues or other capital initiatives in community services were also excluded. However, "capital" costs included in reimbursement per diems, or in grants-in-aid to private community services providers which are for regular repair and maintenance, mortgage reimbursement or lease/rental were considered operational costs and included in the analysis. Routine facility or campus repair and maintenance lines in institutional budgets were operational expenditures and therefore included in the analysis.

"Administration": Central office administrative costs were excluded; regional, field service, or other local support offices providing community program development services were included; administrative services costs at institutions, such as superintendents' offices, were also included in the analysis.

Data Analysis

Statistical summaries of basic expenditure patterns in the 51 subnational jurisdictions and for the U.S. were computed. This involved manipulations of 52 (51 subnational plus one national) electronic spreadsheets in the Random Access Memory (RAM) of a computer. The structure of the 27,000 cell spreadsheet yielded individual expenditure totals for "Institutional" and "Community" services funding. Subtotals by level of government (state or Federal) were also generated, along with the summed figures for each of the several relevant revenue sources (State General Funds, Other State Funds, ICF/MR, Title XX, and Other Federal Funds.) Graphics depicting a state's MR/DD fiscal profile, accompanied by explanatory technical notes, were developed for each state and D.C. and for the U.S.

Expression of Data in Real Economic Terms

Data analysis extended beyond the accumulation of the spreadsheets' revenue and expenditure categories and the production of analytical graphics. During the period of the study, FY 1977-`84, the United States experienced unusually high levels of inflation. It was therefore judged particularly important to adjust the expenditure data to reflect what economists term "real economic growth." This entailed the mathematical deflation of the spending data to constant dollars.

Determining MR/DD Policy Effort

The comparative analysis of state MR/DD fiscal performance was a primary objective of the investigation. Certain states out-performed others in the development of institutional and community services. Assessing MR/DD policy effort equitably required the use of an accurate metric by which to gauge a state's growth relative to that of all other programs in the state. Three metrics were applied. First, MR/DD expenditures for Institutional and Community services were expressed as percentages of total state government spending.

Total state government expenditures, which included both state and federal funds, were obtained from the Statistical Abstracts published by the Government's Division of the Bureau of the Census for FY 1977-`82. FY 1983 data were obtained from correspondence with the Bureau. States were rank-ordered in terms of their FY 1977 rank; their FY 1983 rank; the extent of change exhibited in the FY 1977 and FY 1983 positions; and their overall position relative to cumulative MR/DD expenditures for the entire FY 1977-`83 period.

A second index of comparison among the states was that of the MR/DD share of statewide personal income. The Bureau of Economic Analysis in the U.S. Department of Commerce is the Federal agency responsible for calculating the personal income statistics published by the Census Bureau in its annual Statistical Abstract. We obtained state-by-state 1976-`82 calendar year personal income figures from the 1979-`84 Statistical Astracts. Calendar year 1983 data were obtained directly from the agency in August, 1984. To calculate the FY 1977 MR/DD expenditure share per $100 of statewide personal income, 1976 calendar year personal income statistics were used; to calculate the FY 1978 MR/DD share of personal income, calendar year 1977 personal income data were used, and so on. (One-half of calendar year 1977 falls in FY 1977, and one-half falls in FY 1978--in all but five states.)

Finally, a third indicator was employed based on state MR/DD spending per member of the general population. State population figures were obtained from Statistical Abstracts and personal communication with the Census Bureau. As with personal income data, population figures were only available on a calendar year basis. Thus, population figures for calendar year 1983 (comprising one-half of FY 1984 for the typical state) were used with FY 1984 MR/DD figures to calculate the FY 1984 share of MR/DD spending per member of the state's general population.

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Special Studies

A variety of special exploratory analyses were also instituted. The list of special studies included:

1. Determination of Institutional-Community Expenditure Ratios

   A ratio using funds expended for a given state's institutional operations as the numerator and its expenditures for community services as the denominator is a measure of relative priority assigned between these two programs. For example, if a state in FY 1984 is budgeting $100 million for the operation of its institutions and $50 million for community services, its I-C ratio is 2:1. For every dollar that state spends in the community, it spends two dollars in the institution. I-C ratios were computed for every state, for each region, and for the U.S., for each year during the FY 1977-`84 period. Line charts were then generated delineating the eight year I-C ratio trend lines.

2. ICF/MR Study

   A special analysis of Federal ICF/MR reimbursements determined the percentage of institutional and community expenditures represented by Federal share ICF/MR reimbursements in each state and nationally. The component share of state-operated group homes and Private ICF/MR budgets stemming from Federal ICF/MR reimbursements was also calculated.

3. Calculation of Rates of Institutional Depopulation

   Budget document inspection revealed most of the states' institutional resident populations for the FY 1977-`84 period. The missing data were obtained from personal communications with state officials. Rates of change (depopulation) were calculated by subtracting the 1984 census figure from the 1977 figure and then dividing the difference by the 1977 population figure. States were rank ordered on the variable by highest rate to lowest.

4. Calculation of Institutional Per Diems

   Per diems were calculated for each of the 50 states, for the District of Columbia, and for the nation. The per diems were computed for each year during the 1977-84 period, and were based on the average daily in-residence population.

5. Identification of Institutional Closures

Budget documents were inspected for specific identification of plans to terminate state MR/DD institutions. Since budgets for MR/DD institutions were usually clearly identified in state executive budgets, their absence from one year to the next suggested closure might have occurred. Verification of the closure was also obtained by direct communication with the state agency.

6. Utilization of Title XX/Block Grant Funds

The extent to which Title XX reimbursements and Social Services Block Grant funds were used during 1977-84 to finance MR/DD community services was determined on a state-by-state and national basis.

Results

Financing Institutional Services in the United States

Plateau in Funding

The most important recent trend in the financing of public institutions in the United States is the absence of real growth in total spending since 1977. In real economic terms, total funding in 1984, for institutional services actually diminished .08% over the 1977 level. In unadjusted dollars, however, nationwide funding exhibited steady annual growth from $2.436 billion to $4.278 billion. This is shown in Chart 1 below.

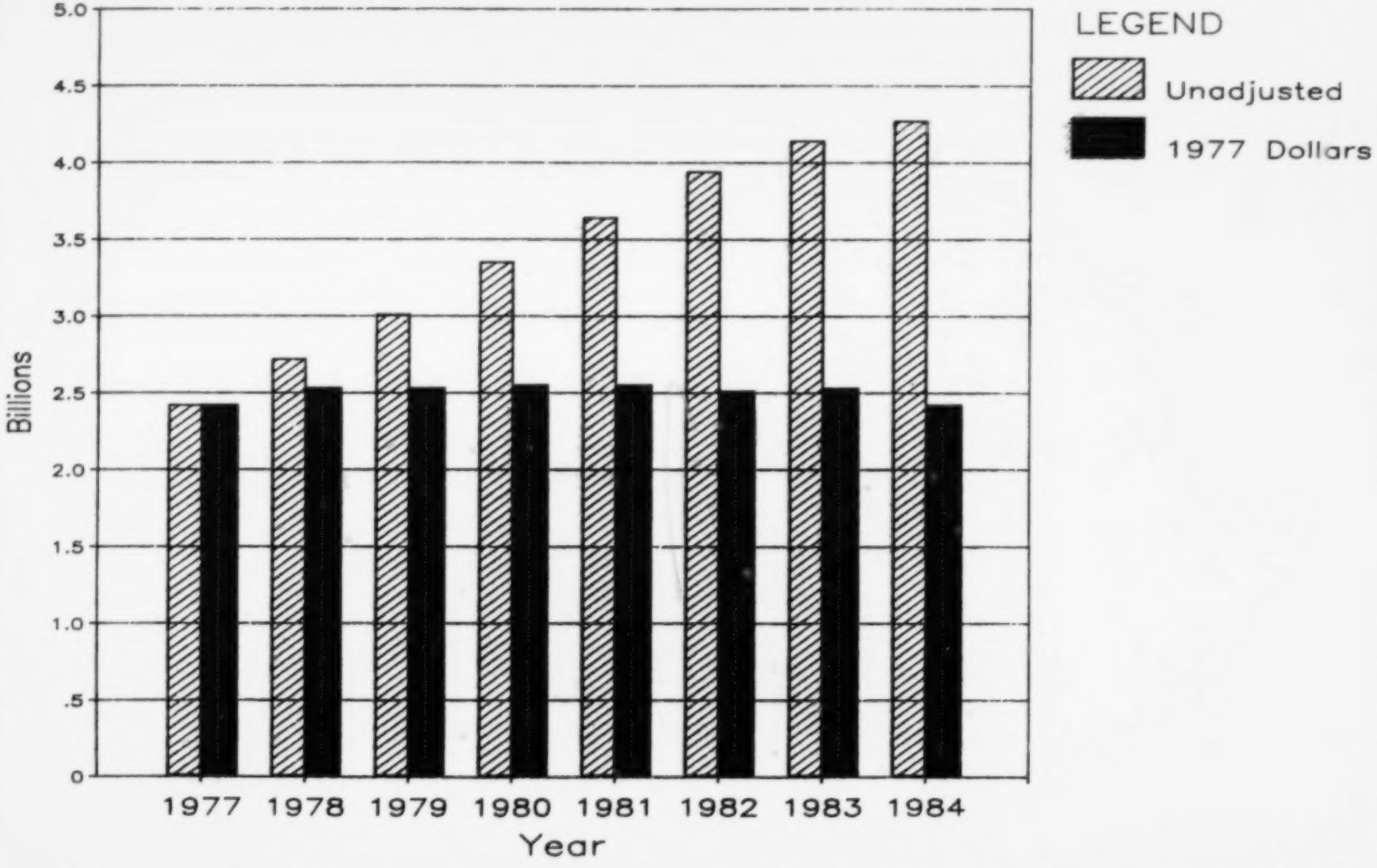
The plateau in constant dollar institutional expenditures is unusual historically. Institutional expenditures did not grow in real economic terms between 1939 and 1944, according to Lakin (1979, p. 97). Since 1945, however, real growth in institutional expenditures has occurred every year, except in 1966-`67, when it momentarily stabilized before resuming a strong upward trend.

Between 1977 and 1984, total institutional expenditures adjusted for inflation plateaued in 20 states; diminished in 17; and rose in 14. (A rise in institutional expenditures was defined as real growth in FY 1984 compared to FY 1977 expenditures, and incremental real growth in at least four of the seven intervals between FY 1977-84). States experiencing a drop in total institutional expenditures were Florida, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Montana, Nebraska, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin. Eight of these states have closed or scheduled the closure of one or more institutions during the Study period (Braddock & Heller, 1985), and most are actively developing community services. The 14 states with institutional spending increases in real economic terms were: Arkansas, Connecticut, Delaware, Iowa, Louisiana, Massachusetts, Mississippi, Nevada, New Hampshire, New Jersey, North Dakota, Oklahoma, South Carolina, and Wyoming. None of these states has terminated or scheduled closure of an institution.

During the 1977-`84 period, the Federal role in institutional funding grew rapidly. Only five states--Connecticut, New Hampshire, North Dakota, Oklahoma and Wyoming--registered real economic growth in their states' own-source expenditures (exclusive of Federal funds) for institutional services. Twenty-four states' funding pattern exhibited diminutions. Twenty-two states had essentially flat spending patterns. Thus, between 1977 and 1984, the legislatures of 45 states and the District of Columbia did not appropriate state-source funds sufficient for total institutional spending to keep pace with the rate of inflation. Many states compensated for the decline in institutional support by strengthening funding for community-based services.

CHART 1

MR/DD Expenditures in the U.S. for *Institutional* Services: FY 1977–84



Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

A Falling Census

During 1977-84, the number of persons residing in state mental retardation institutions dropped by 27% from 149,535 to 109,827 (Chart 2). Institutional census reductions are a generally uniform trend across the country, although some states' relocation patterns show much more pronounced declines than others. The rate of change between 1977-84 varied from a 65% decrease in the District of Columbia to a 41% increase in Nevada. Tennessee, Louisiana, and Mississippi's institutions remain essentially stable or grew slightly in size. Residential populations in 47 states and the District of Columbia, however, dropped. The largest percentage reductions, in addition to D.C. were in Michigan (62%), Vermont (54%), Ohio (53%), Nebraska (52%), Arizona (49%), Florida (48%), and Rhode Island (46%).

The collective institutional census reductions of California, Florida, Michigan, New York, Ohio, and Pennsylvania accounted for over one-half of the nationwide institutional census decline of 39,708 between 1977 and 1984. These states had slightly more than one-third of the nation's general population in 1984. Eighteen percent of the nation's institutional census reduction is attributable to New York State alone.

Institutional Closures

Twenty-four institutional closures were identified in the course of the study (Braddock & Heller, 1985). Eighteen of the 24 were scheduled since 1981. Seventy-five percent (18) of the closures involved MR/DD institutions originally constructed for other public health populations such as tuberculosis, or for use as military facilities. The median original facility construction date was 1929 and the median date of conversion to MR/DD use was 1963.

Closures have occurred or are in-progress in every section of the country, but the Midwest has experienced the most terminations. Michigan and Illinois have closed five and four facilities, respectively, and Ohio and Minnesota have each closed one facility. Pennsylvania has shut down two facilities and has scheduled the closure of Pennhurst in 1986.

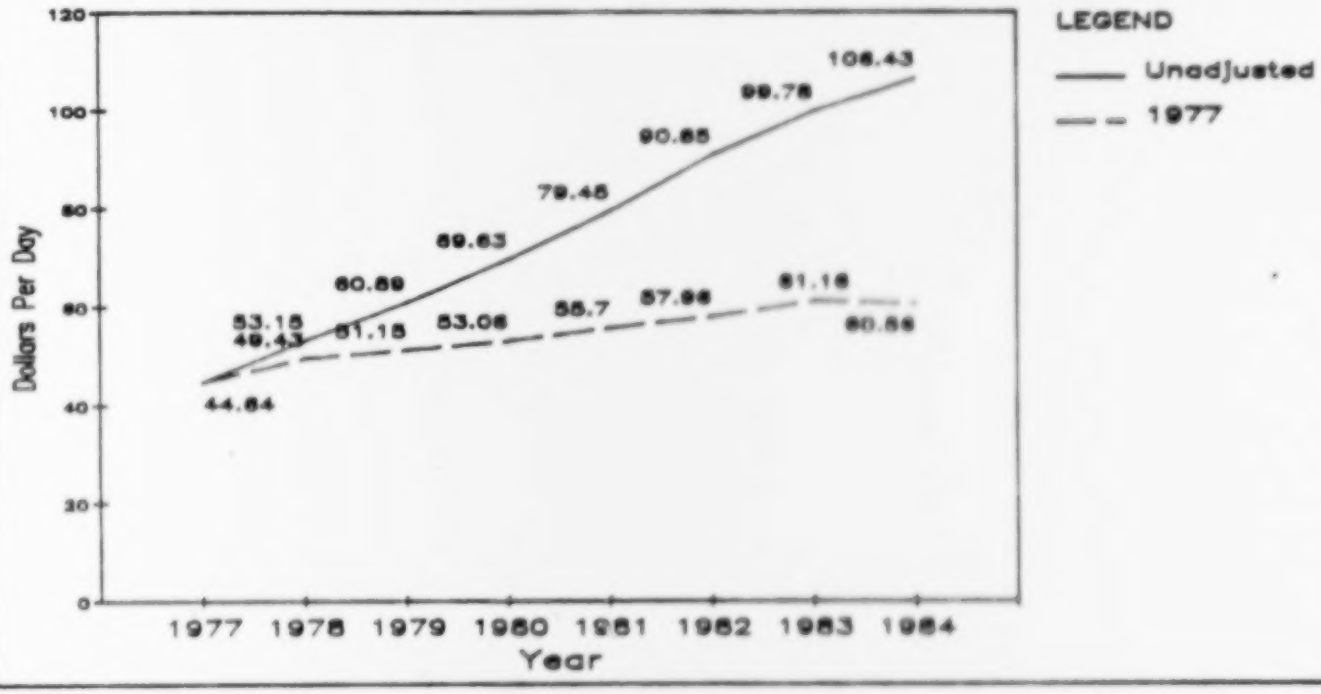
Advancing Per Diems

The rapid decline in the institutional population since 1977 has averaged 4.3% per year; while the increase in daily maintenance expenditures (unadjusted per diems) in 1984 jumped 138% over 1977 levels (Chart 2). In constant dollars, growth totaled 36%, or an average of 4.5% annually.* Individual states exhibited great diversity. In 1977, per diems ranged from $117 in Alaska to $22 in North Dakota. The median was $40. States with relatively high per diems included Montana ($79), Wisconsin ($62), Pennsylvania ($61), Illinois ($60), New York ($60), Michigan ($53), Alabama

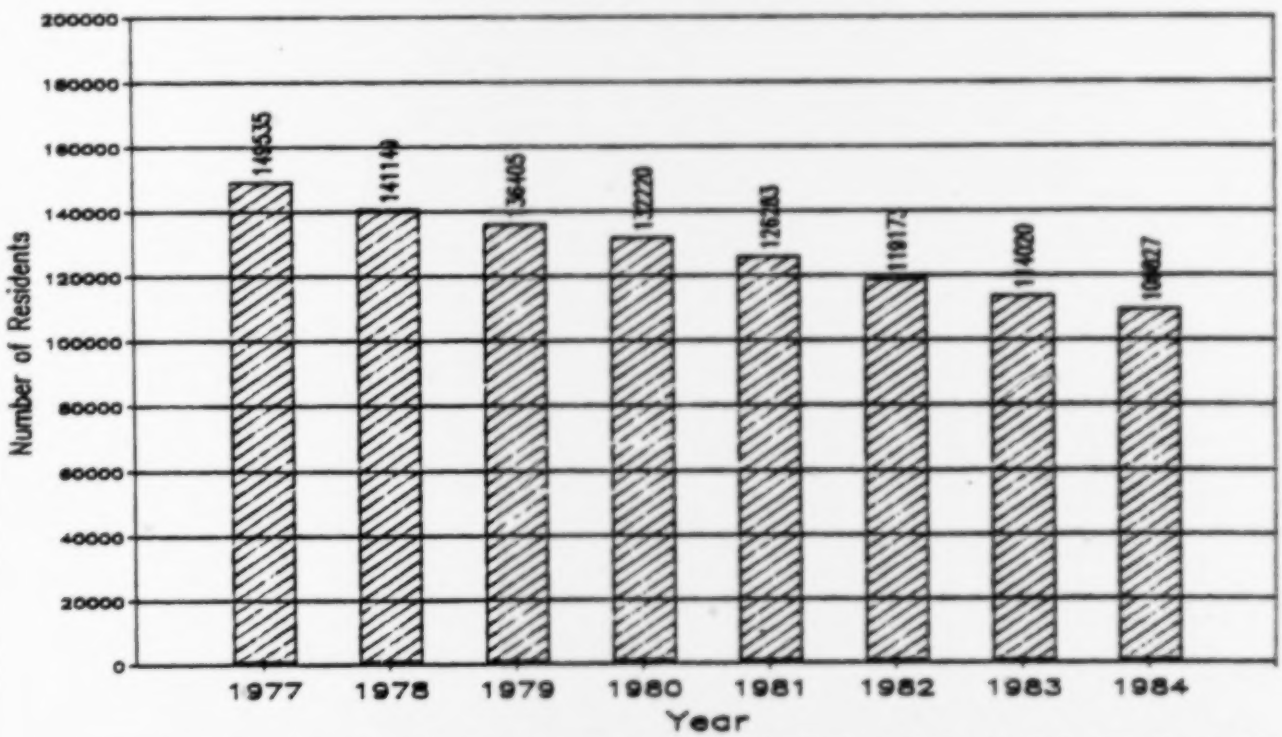
*Note: Throughout this working paper, reference is made to "average annual percentage" increases or decreases; this always reflects the mean of the sum of all annual percentage increases in the period being considered. For example, annual rates of growth of 10%, 8%, 6%, and 4% would result in an average annual rate of growth of 7%.

Chart 2

UNITED STATES
Daily Expenditures Per Resident in Public MR/DD Institutions: FY 1977–84
In Unadjusted & 1977 Dollars



Average Daily Residents in Institutions FY 1977–1984



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

($52), Idaho ($52), Rhode Island ($51), and Kentucky ($51). States with relatively low per diems in addition to North Dakota, included Nevada ($23), Wyoming ($26), Mississippi ($26), South Dakota ($27), Delaware ($29), Oklahoma ($29), New Hampshire ($29), West Virginia ($30), and South Carolina ($30). The other 30 states had per diems betwen $30 and $50.

In 1984, Alaska remained the national leader in expenditures per resident with a per diem of nearly $250 per day. Three states spent between $150 and $200 per day: the District of Columbia ($184), Arizona ($172), and Michigan ($161). Other state spending leaders were New Hampshire ($147), Connecticut ($145), New York ($143), Rhode Island ($139), Massachusetts ($138), Montana ($138), Maine ($133), Nevada ($132), and Pennsylvania ($127) per day. The median expenditure was $105 per day. Mississippi ($62), West Virginia ($68), South Carolina ($68), Texas ($69), Indiana ($73), Delaware ($74), Utah ($74), Louisiana ($74), South Dakota ($68), and Oklahoma ($77) budgeted the least funds per resident in 1984. The remaining 28 states spent between $79 per day and $125 per day.

A comparison of rankings indicated that five of the ten 1977 per diem leaders were supplanted in 1984. Only Alaska, Montana, New York, Michigan, and Rhode Island retained their top-ten ranking. The strongest advance in position over the eight year period was achieved in New Hampshire, which jumped 39 slots, from forty-fourth to fifth. The District of Columbia leapt from thirty-sixth to second. Other impressive gains were registered in Nevada (50th to 12th); Massachusetts (37th to 9th); Ohio (33rd to 15th) Connecticut (27th to 6th) and Arizona (15th to 3rd). Wisconsin, which ranked third in 1977, slipped to 21st; Illinois dropped from 5th to 17th; Iowa fell from 13th to 25th. Texas descended from 38th to 40th and ranked last in 1984 institutional spending (on an annual per resident basis) among major industrial states.

Per Diem Calculations

The states' treatment of employee fringe benefit cost was an important factor in the determination of accurate per diem rates. Some states accounted for these costs outside the budget of the principal state MR/DD agency. Maryland and Connecticut, for example, budgeted fringe benefits in the Department of Personnel and the Comptroller's Office, respectively. New Jersey, New York, Virginia (1977-78 only), and West Virginia also budgeted for these costs outside the principal MR/DD state agency. Since fringe benefits comprised 25% of total staff costs, and staff costs were 80% of total institutional operating costs, exclusion of fringe costs under-reports institutional per diems by as much as 20% in some states.

The 1982 nationwide per diem figure reported here was, on the average, only slightly higher (5.5%) than the 1982 figure reported in a previous study by Rotegard & Bruininks (1983). Cost variations were attributable not only to the exclusion of employee fringe benefit costs, however. In calculating per diems, the present study defined the institutional population not in terms of "on-books" or "enrolled" population, but rather in terms of the average daily "in-residence" population. Residents on home visits were included in all per diem calculations; but cost was attributed

to temporarily discharged residents only to the extent that they actually resided at the facility. In Arkansas, an extreme example, 1,354 institutional residents were "enrolled" in 1982, but only 1,072 persons actually resided at the facility. The per diem based on average enrollment was $73.80; based on average in-residence population it was $93.21--a difference of 26%.

Another possible distinction between per diems reported here and those of other studies stemmed from the fact that this study primarily analyzed "actual expenditures" emanating from state executive budgets, rather than institution-based or agency-based reports of per diems. Institution-based or agency-based data, in some instances, may also have included community funds channeled through institutional budgets. Finally, this study's per diems do not include allocated costs for central office, umbrella agency, or Governor's office administrative costs. Including these charges posed myriad technical problems and would have raised per diems perhaps three to eight percent in each state.

Changes in Revenue Configuration

The 1977-'84 period has been characterized by the aggressive participation of the Federal Government in the financing of institutions. Sixty percent of the aggregate $27.6 billion expended for the operation of public institutions over the past eight years consisted of state-raised revenues. The Federal Government contributed 40% of the funds, 95% of which were reimbursements under the Federal ICF/MR Program.

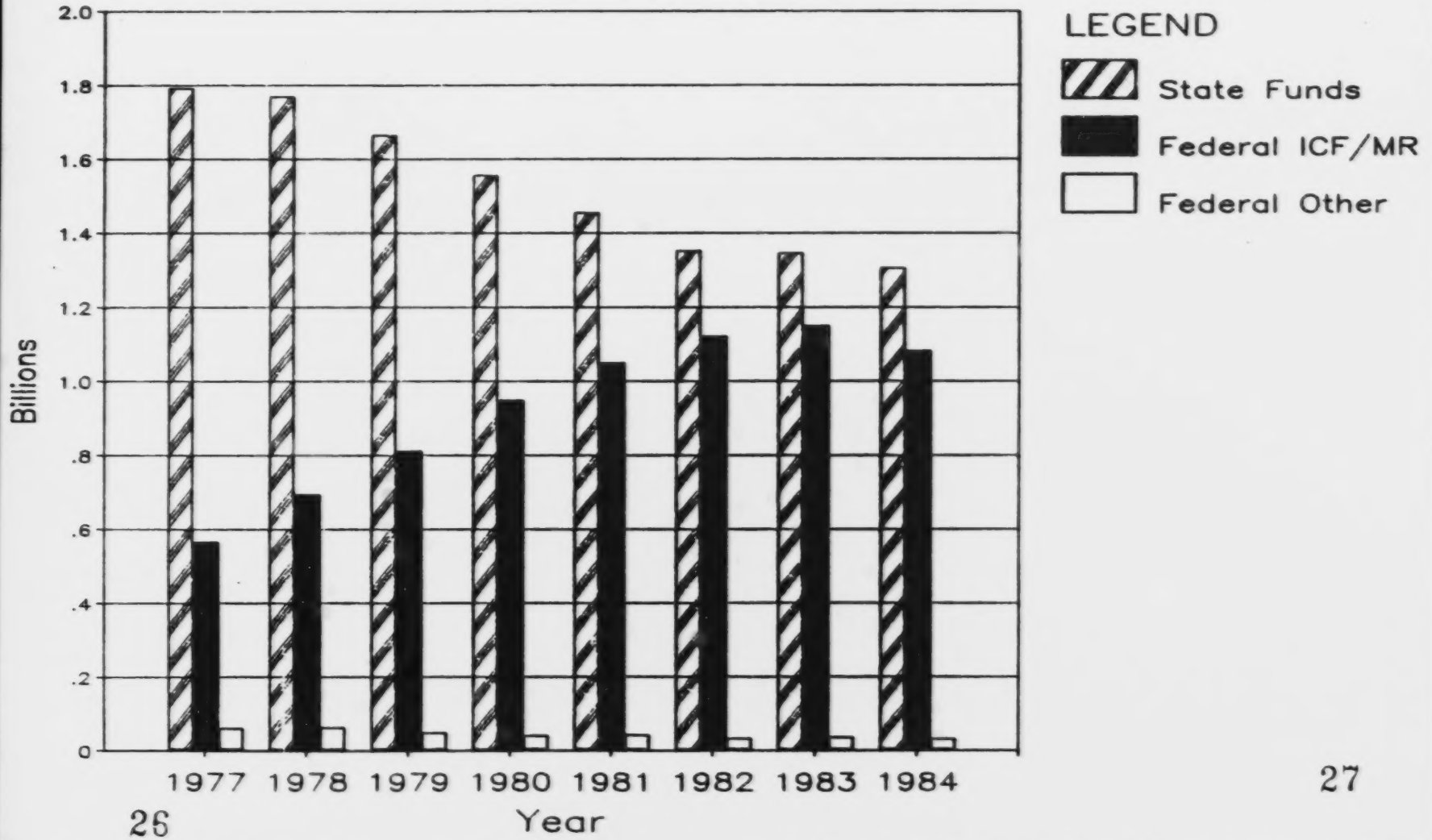
Since 1972, the Federal Government has assumed a larger and larger share of the institutional budget. In 1977, the split was 74% state funds; 26% federal. In 1984, it was 54% state; 46% federal. The states spent $1.80 billion in 1977 from their own resources, and adjusting for the impact of inflation, they spent only $1.31 billion in 1984. This is a drop of 27% over the eight year period. Declines in state funds have been registered nationally every year since 1977. We speculate aggregated state funds nationally may have been declining in real economic terms since the recession of 1974-75.

Explosive Growth of the ICF/MR Program

There is really only one important Federal institutional revenue source and that is the ICF/MR Program. Since 1977, the Federal ICF/MR share of total nationwide expenditures for institutional services has doubled, growing from 23% to 45%. In 1984, Federal ICF/MR participation in institutional operating budgets ranged from 77% in Vermont to 9% in Connecticut (Median = 45%). Arizona and Wyoming do not participate in the Program.

Federal ICF/MR reimbursements of state services in institutional settings have advanced from $570 million in 1977 to $1.910 billion in 1984. This is an unadjusted growth rate of 235%; and an adjusted rate of 90%, or 10% average per year. For the first time, however, ICF/MR reimbursements actually declined slightly on a nationwide basis between 1983 and 1984 in real economic terms (see Chart 3). This 6% drop in projected institutional reimbursements is a result of a declining resident population; the modest but growing impact of ICF/MR Waivers; and of various cost-reduction sanctions imposed or encouraged by the Federal Government under the Omnibus Budget Reconciliation Act of 1981.

Institutional Services in the U.S., By Revenue Source, Adjusted for Inflation: FY 1977–84



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Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Summary

Until the mid-1970's, the Federal Government's role in financing state institutions was very small. In 1972, the two largest Federal programs impacting on institutions were ICF/MR services and P.L. 89-313 Educational Aid. These two programs accounted for only $36 million and $33 million, respectively, of the states' total expenditure for institutional operations in 1972 (Braddock, 1985). Subsequent expansion of the ICF/MR Program to include tens of thousands of institutional residents brought with it a major Federal financial presence in the fiscal structure of state institutions.

In institutional care between 1977 and 1984, important trends identified were: a plateau in adjusted total nationwide spending for institutional operations, a decline in adjusted nationwide spending for institutions from state revenue sources, and the emergence of the Federal Government as an equal partner with the states in financing state institutions.

The study also confirmed, through June 30, 1984, the continuing annual reduction in the institutional census and the steady climb in per diems. For the first time, the nationwide per diem exceeded $100 (in 1984). Given the average annual rate of decline since 1977 (4.3%), the institutional census will fall below 100,000 in FY 1986. Finally, the rapid increase in Federal ICF/MR reimbursements permitted many states to withdraw state resources from institutional operations and deploy additional funding in the non-institutional sector.

* *

PLEASE CONSULT THE APPENDIX FOR AN EXTENSIVE SERIES
OF CHARTS DEPICTING NATIONAL TRENDS IN STATE SPENDING

* *

Financing Community Services
in the United States

Rapid Funding Growth

The most striking recent trend in public financing for community services in the United States has been its rapid and continuing growth. Between 1977 and 1984, total expenditures in the states advanced 316 percent, from $745 million to $3.1 billion in unadjusted dollars. Even during the recent period of high inflation and recession, total community services spending in adjusted terms grew steadily every year on a national basis. In unadjusted terms, community spending advanced at an average annual rate of growth of 22.8 percent between FY 1977 and FY 1984.

The great bulk of community services funding emanated not from Washington (provided one excludes income maintenance) but from the states themselves. Fully 70 percent of aggregated community development spending over the entire eight year span of the investigation was state general fund expenditures. The ten states with the highest percentage gains in community funding from "own source revenues" over the 1977-84 period, and their adjusted percentage increases are: Oklahoma (5600%); New Hampshire (2804%); North Dakota (1544%); Vermont (1316%), District of Columbia (972%); Wyoming (928%); New Mexico (632%) Arizona (495%); Michigan (420%); and Washington (404%).

Forty-four of the 51 jurisdictions (86%) exhibited a rise in community state funds in the eight year period of analysis. (A rise was defined as real growth in FY 1984 compared to FY 1977 expenditures, and incremental real growth in at least four of the seven intervals between FY 1977-`84). Four states' fiscal profiles exhibited essentially flat charateristics in terms of state funding for community services: Alabama, Arkansas, Indiana, and Tennessee. Two states allocated a generally diminished flow of state fund expenditures for community services, when expressed in constant dollars. They were Iowa and Wisconsin.

Year-to-year community funding patterns from state sources showed considerable diversity. Most states with predominantly upward trends had one or more years when funding growth abated or declined. Only eight state profiles, in fact, demonstrated real growth for every year of the analytical period: Minnesota, New Mexico, New York, Rhode Island, South Dakota, Texas, Utah, and Vermont. Many states which exhibited an overall pattern of growth showed declines or no growth in real dollar expenditures for FY 1984. These states included California, Colorado, Florida, Hawaii, Kentucky, Maine, Massachusetts, Missouri, Nebraska, and Washington State.

Bi-modality was not an uncommon characteristic. Several states displayed regular gains in total community funding for FY 1977-`80, and then a steady drop or plateau thereafter. States in this category included Alaska (FY 1982-84 only), Indiana, Mississippi, Missouri (flat slope 1982-`84 only), Tennessee, and Washington State. Wyoming and North Dakota displayed a bimodality characterized by decline in the late 1970`s and rapid upward surges in 1980 and 1982, respectively.

Diversification of Revenues

States used a variety of funding sources to implement community services initiatives (Chart 4). The alternatives include state general funds (or special earmarked revenues such as sales tax, lottery or bingo receipts); the Title XIX-ICF/MR Program; and Title XX, now the Social Services Block Grant.

About 70 percent of the community funds expended during the span of the investigation were derived from state general fund expenditures. The state-by-state variation was quite wide, however. The state share of expenditures ranged from 92% in California and 93% in the District of Columbia to 25% in South Dakota. Only seven states contributed less than 50% of their total funds expended for community services from own-source revenues. The states were Indiana (46%); Minnesota (46%); Utah (43%); Kentucky (40%); Louisiana (40%); Mississippi (33%); and South Dakota (25%). There has also no variation nationwide from 1977 to 1984 in the percentage of community funds budgeted from state sources. It was 70 percent in 1977; 70 percent in 1984; and it is 70 percent for the cumulative eight year period.

Income maintenance funds are excluded from these calculations. However, state government supplementation of Federal Supplemental Security Income (SSI) payments to individuals was $327.9 million nationally in 1984. State supplementation of SSI was an important and flexible source of residential services development in a number of states, including California, Minnesota, and New York.

ICF/MR Funds

Several states used Federal-state ICF/MR revenues to finance state-operated group homes. New Jersey applied funds in this manner most extensively, with federal reimbursements comprising some 29% of total statewide expenditures for community services in the eight year period. The program in New Jersey was developed under an Extended Phase-Out Waiver. An additional 13 states use ICF/MR funds for the operation of state-run group homes: Florida (19%), South Carolina (18%), Connecticut (15%), Washington (13%), Texas (11%), Michigan (9%), Rhode Island (8%), Delaware (6%), New Hampshire (5%), New York (3%), Tennessee, (3%), Virginia (2%), and Maine (1%). South Carolina was the first state to implement this model, in 1977, and now has 14 sites with 128 beds.

In 1977, 21 states funded private-sector ICF/MR services in the community. States employing this funds most extensively in 1977 were Oregion (34% of all community funds), Louisiana (28%), Mississippi (26%), Kansas (25%), Minnesota (24%), Wisconsin (23%), Alaska (18%), and Colorado (18%).

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CHART 4

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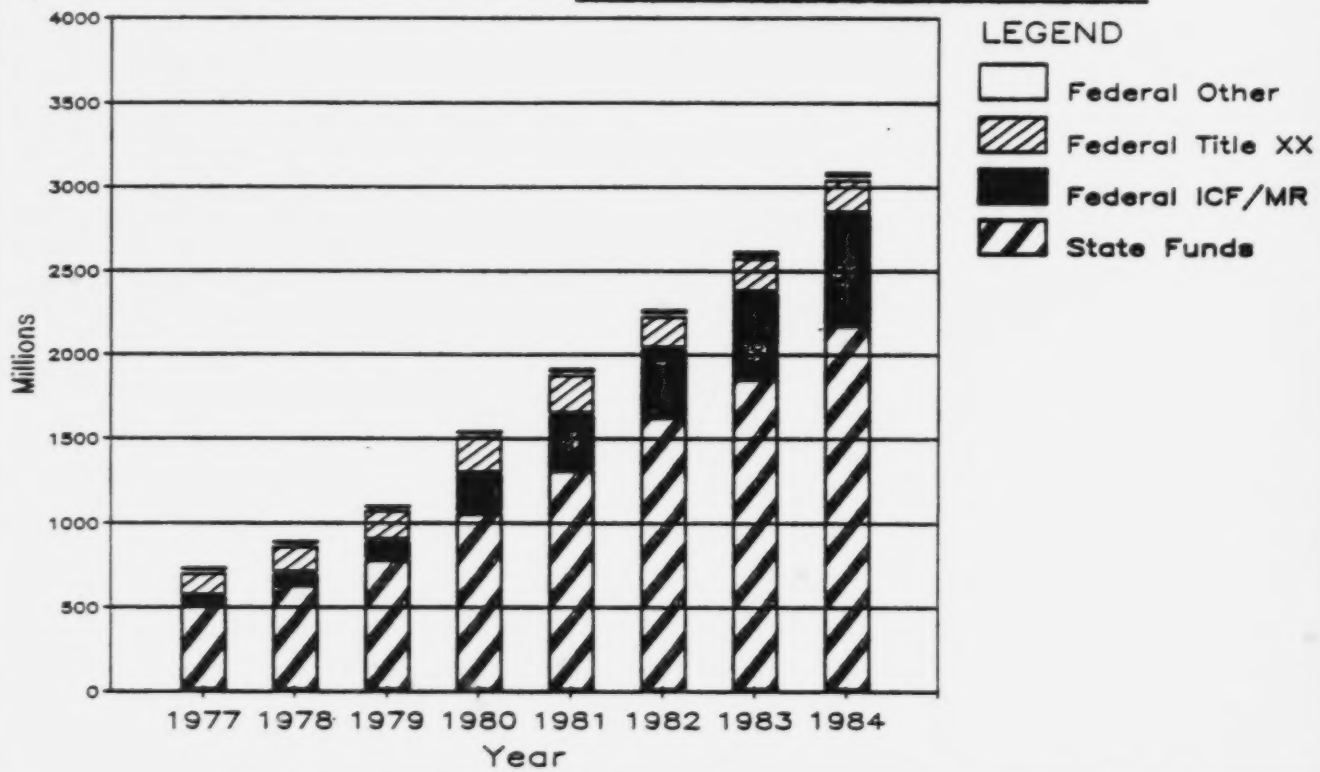
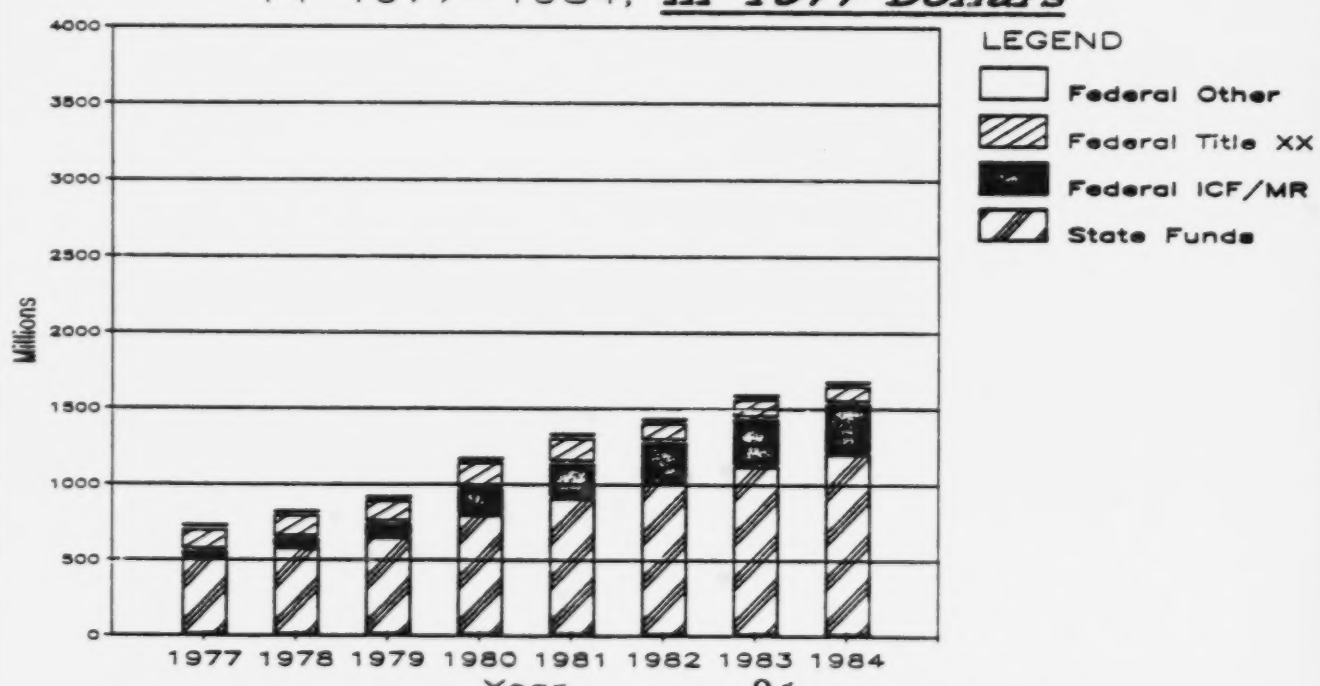
UNITED STATES

MR/DD Expenditures for *Community** Services: A Comparison of State & Federal Funding FY 1977–1984, *In Unadjusted Dollars*



FY 1977–1984, *In 1977 Dollars*



* Excludes Income Maintenance (SSI/SSDI) & Special Education Expenditures

Source: Braddock, Howes, & Hemp. Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

By 1984, an additional 20 states had initiated a Private ICF/MR Program. Forty percent or more of total community services funding in 1984 was obtaind from Private ICF/MR revenues in Kentucky, Louisiana, Minnesota and Mississippi. Ten states did not claim Private ICF/MR reimbursements in 1984. They were Alabama, Arizona, Arkansas, Delaware, Hawaii, Maryland, Michigan (which does have state-operated group homes), Oklahoma, West Virginia and Wyoming.

Title XX - Block Grant

Federal share ICF/MR financing of community services grew rapidly during the 1977-84 period, advancing from only 6% of total community expenditures in the U.S. in 1977 to 21% of the $3.1 billion expended in 1984. However, as these funds were increasing, the federal reimbursements under the Title XX Program were no longer growing in real economic terms. Title XX/SSBG funds were 20% of total community expenditures in 1977 and amounted to $146 million. By 1984, the funds totalled $211 million but had fallen to only seven percent of total community services expenditures. In real economic terms, Title XX/SSBG expenditures actually dropped by 18% during the eight-year period.

Many states used Title XX expenditures to initiate community services programs during the 1970's. During 1977-84, 11% of cumulative community spending was attributable to Federal Title XX/SSBG funds. However, the range in the states was 49% to 0%. The sixteen states in which Title XX-SSBG funds provided at least 20% of all revenues for community services spending in the 1977-84 period were: Indiana (49%), Georgia (44%), South Dakota (39%), Arkansas (36%), Mississippi (36%), Tennessee (35%), Iowa (34%), Montana (31%), Illinois (28%), Alabama (28%), New Mexico (28%), Nebraska (23%), South Carolina (23%), Nevada (20%), Kansas (20%) and Washington State (20%). As noted though, Title XX in 1977 comprised a significantly larger share of community services revenues than the SSBG did eight years later.

Nebraska's MR/DD fiscal profile, for example, illustrates a commonplace development in the states: the growth of state general fund expenditures and the conversion of Title XX support of programming to Title XIX ICF/MR funding. Title XX was a federally "capped" program with little or no future growth possibilities for the states. Title XIX, on the other hand, had essentially no ceiling and until the OBRA was enacted in 1981, promised substantial growth potential provided state matching funds could be obtained and the Federal program regulations could be met by community residential facilities.

The Michigan Example

In 1977, like most states, Michigan's fiscal commitment to community services was very thin. The State's total spending for community and institutional services that year was about $132 million, but only $14.8 million in state funds was deployed for community services operations. Comparable states such as Illinois, Ohio, and Pennsylvania were spending $29 million, $37 million, and $59 million respectively. Michigan was spending approximately the same as Nebraska on community services--Michigan, however, had nearly six times Nebraska's population.

Escalation in community funding in Michigan was firmly established by 1980. Community funding doubled from $40.9 million in 1980, to $78.7 million in 1981. In FY 1984, it doubled again to $164 million. In the span of only five years, Michigan had moved from a laggard's position to one of national leadership. The eight year gain from $14.8 million to $164 million was a tenfold increase in community services funding. Simultaneously, funding for institutional services plunged--even in unadjusted terms--from $156.2 million in 1979 to $133.2 in 1984. The drop in institutional funding from 1979 to 1984 is a reduction of 42% in 1977 economic terms. Michigan closed five state institutions between 1981-84.

The Michigan experience is remarkable in view of the near-depression economic conditions in the State during this acceleration in community funding. Also noteworthy is the fact that Michigan financed only a modest component of its reconfigured service system with federal revenues. Nearly all of the community funding increments came from state general fund expenditures. Between 1977-1984, annual state general fund expenditures increased from $14.8 million to $135 million.

Summary

On a national basis, the rate of growth in total community spending moved dramatically upward. Only a handful of state governments failed to expend more funds in real economic terms for community services in 1984 than in 1977. One critical reason the gains were so spectacular, however, was because most states expended so little for community services during the base year of the investigation (FY 1977). Thus, relatively small spending increases in absolute terms produced very large annual increases on a percentage basis.

State-Federal budgets authorizing FY 1977 community services expenditures were actually enacted in calendar year 1976 and initiated by the Governors in calendar year 1975. FY 1977 budgets thus reflected state and Federal program policy in effect a decade ago, when little support for community services was in place nationally. At the Federal level, in 1975, for example, P.L. 94-142 and the ICF/MR Program were new and modestly-funded programs. At the state level, although litigation was widespread, it was almost exclusively focused on institutional reform and not, as would later be the case, on creating the resource-base for community-care alternatives.

By the end of the decade, most state agencies had begun to develop more extensive community-based services, or reached agreements to do so with consumers and advocates. It was an important accomplishment that during 1981-82 (and during the nation's most serious economic recession since the Great Depression) spending for community services in many states, and for the nation as a whole, grew in real economic terms.

* *

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OF CHARTS DEPICTING NATIONAL TRENDS IN STATE SPENDING

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Comparative Analysis of Institutional and Community Services Expenditures

Consolidated Institutional-Community Funding Trends

In 1984, consolidated institutional and community spending reached $7.378 billion nationally. This figure, when adjusted ($4.198 billion) represented an eight year increase of 32%, or over 4% per year (Chart 5). The community spending component, however, was responsible for all of the growth in both sectors, since institutional funding was essentially flat. The average annual (adjusted) increments in funding for consolidated institutional and community services ranged from 29% per year in Nevada to -2% per year in Wisconsin. The median was 5%. Eight states displayed upward trendlines of between 10% and 24% per year: New Hampshire (24%), North Dakota (18%), Louisiana (14%), Connecticut (13%), Wyoming (12%), Massachusetts (11%), New Jersey and Maine (10%). Each of these states ranked among the top ten states in the institutional services growth category.

In consolidated growth, only six states exhibited a negative growth trend across the eight year span. These states were Wisconsin (-2%/year), West Virginia, Hawaii, Kansas, Indiana (-1%), and Iowa (-.2%). Alabama's combined expenditures increased by less than 1%, and the states of Virginia, Montana, Illinois, Idaho, Oregon, Tennessee, Alaska, Pennsylvania, North Carolina, Nebraska, Colorado, and Georgia demonstrated small annual increases of one or two percent. The remaining 23 states clustered near the median, displaying modest annual gains of between 3% and 9%.

Among the top ten states in adjusted growth rates for consolidated community and institutional sectors, only New Hampshire and Louisiana were in the top ten in both expenditure categories simultaneously. New Hampshire was third (Community), fifth (Institutions), and second overall; Louisiana was ninth in both categories and fourth overall. None of the eight most populous states ranked in the top 15 in both categories. Michigan, which ranked first among the populous states in community funding growth ranked last in institutional spending and therefore only 28th overall. New York was eighth in community spending growth; 39th in the institutional category; and 22nd overall.

The relatively lackluster fiscal performance of the much larger and better funded institutional sector had a considerable leavening effect on the rapidly growing community sector funding when these two expenditure categories were consolidated to calculate overall fiscal trends in the MR/DD state systems. Interactive effects between institutional and community services funding in the states were very often self-canceling. Few states--and virtually no major industrial states--pursued both priorities simultaneously with great vigor. In this sense, the competition for funds in the states at the agency level, where community and institutional interests must compete and "trade-off" for limited resources, probably acted to moderate overall growth of both sectors simultaneously. This interpretation

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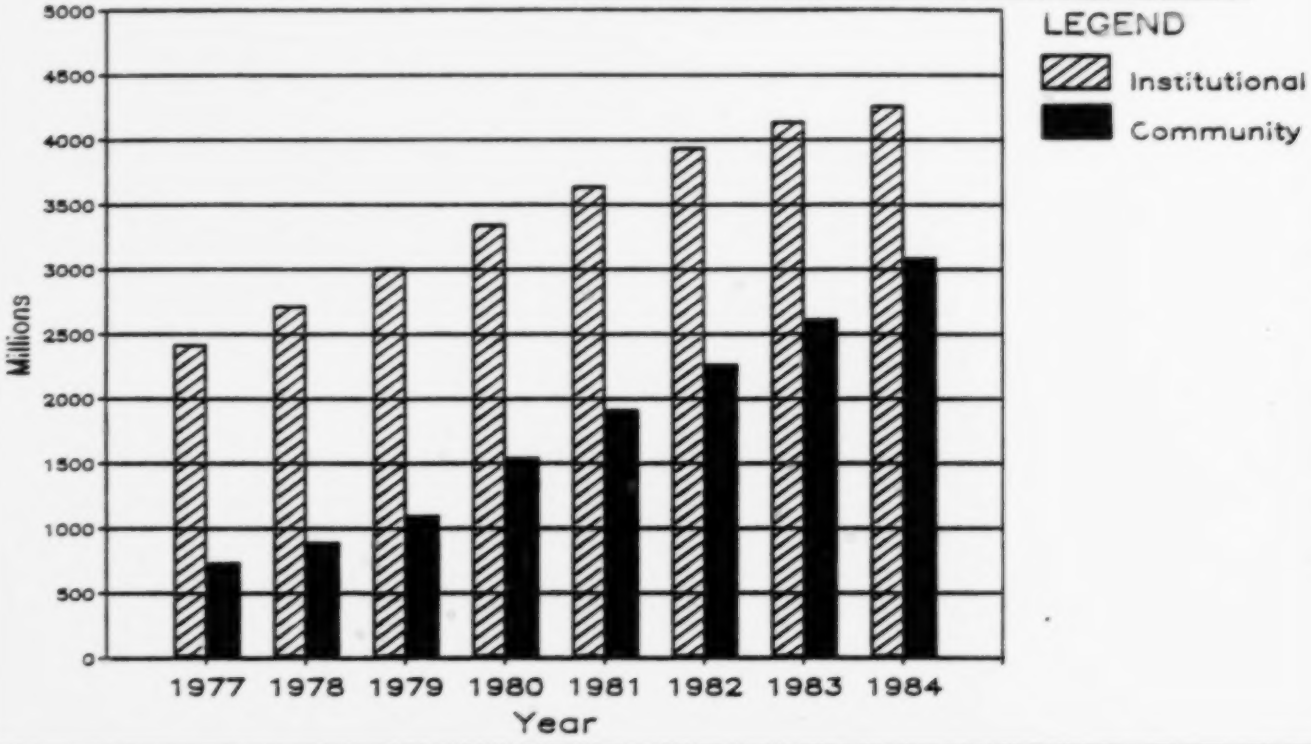
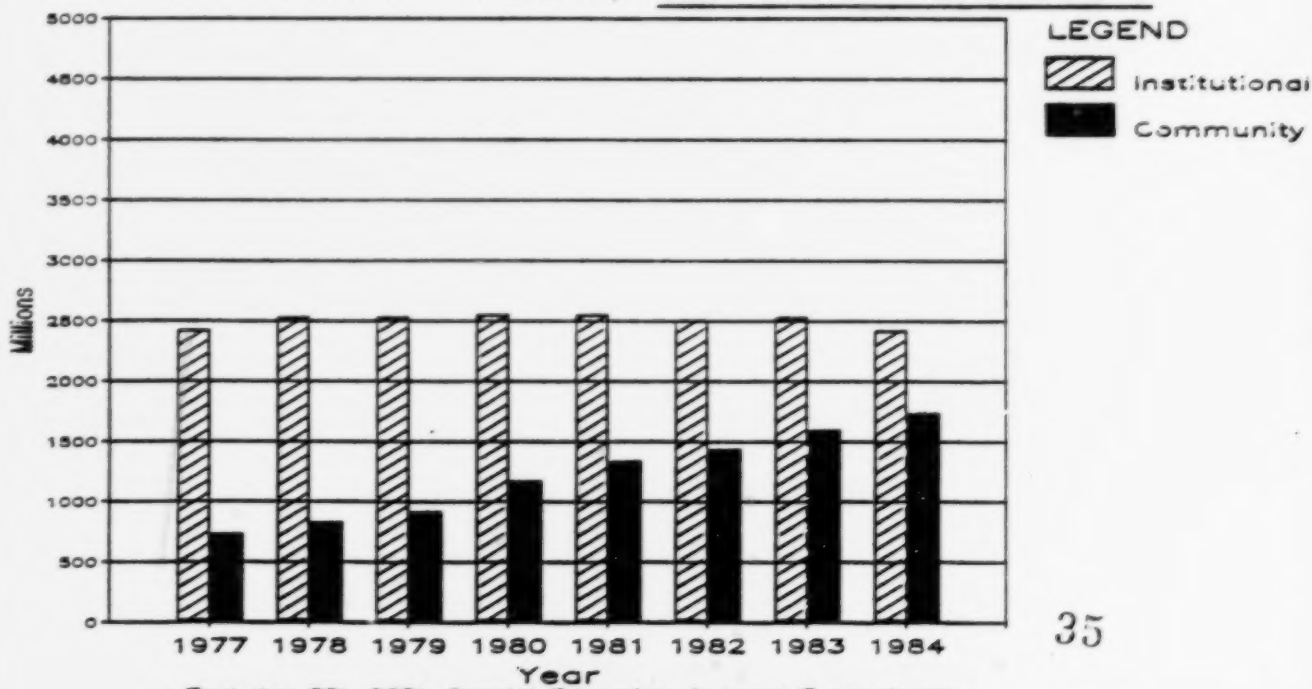
UNITED STATES
Comparative Annual MR/DD Expenditures for *Institutional* & *Community** Services
FY 1977–1984, *In Unadjusted Dollars*



FY 1977–1984, *In 1977 Dollars*



* Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes, Hemp, Expenditure Analysis Project, iSDD, U of IL at Chicago, 1984

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would reinforce the incremental notions of budgeting advanced by Wildavsky (1975) and others.

Ratio of Institutional Versus Community Expenditures Falls

The simplest expression of the dynamic relationship between state spending for institutional and community services is a ratio in which total institutional spending in any given year is the numerator and total community services spending in that year is the denominator. Illinois, for example, budgeted $205.4 million for institutional operations in 1984, and $137.8 million for community services. The "Institutional-Community Services Ratio," I/C Ratio for short, is $205.4/$137.8, which is reducible to 1.49/1. Thus, for every dollar spent in Illinois for community services in 1984, $1.49 was budgeted for institutional services. (Calculations are predicated on the exclusion of income maintenance, special education, and local funds.)

The I/C ratio for the United States has dropped steadily since 1977, falling from 3.27/1 then, to 1.38/1 in 1984. The ratio's decline reflects the rapid upward movement of community services expenditures relative to institutional funds. The most dramatic slope upswing in any single year occurred at the FY 1979-80 interval. If the ratio continues to fall at the 1981-84 rate, linear projection indicates the ratio will be at 1:1 parity in 1987-88. Chart 6 depicts the I/C ratios on a region-by-region basis.

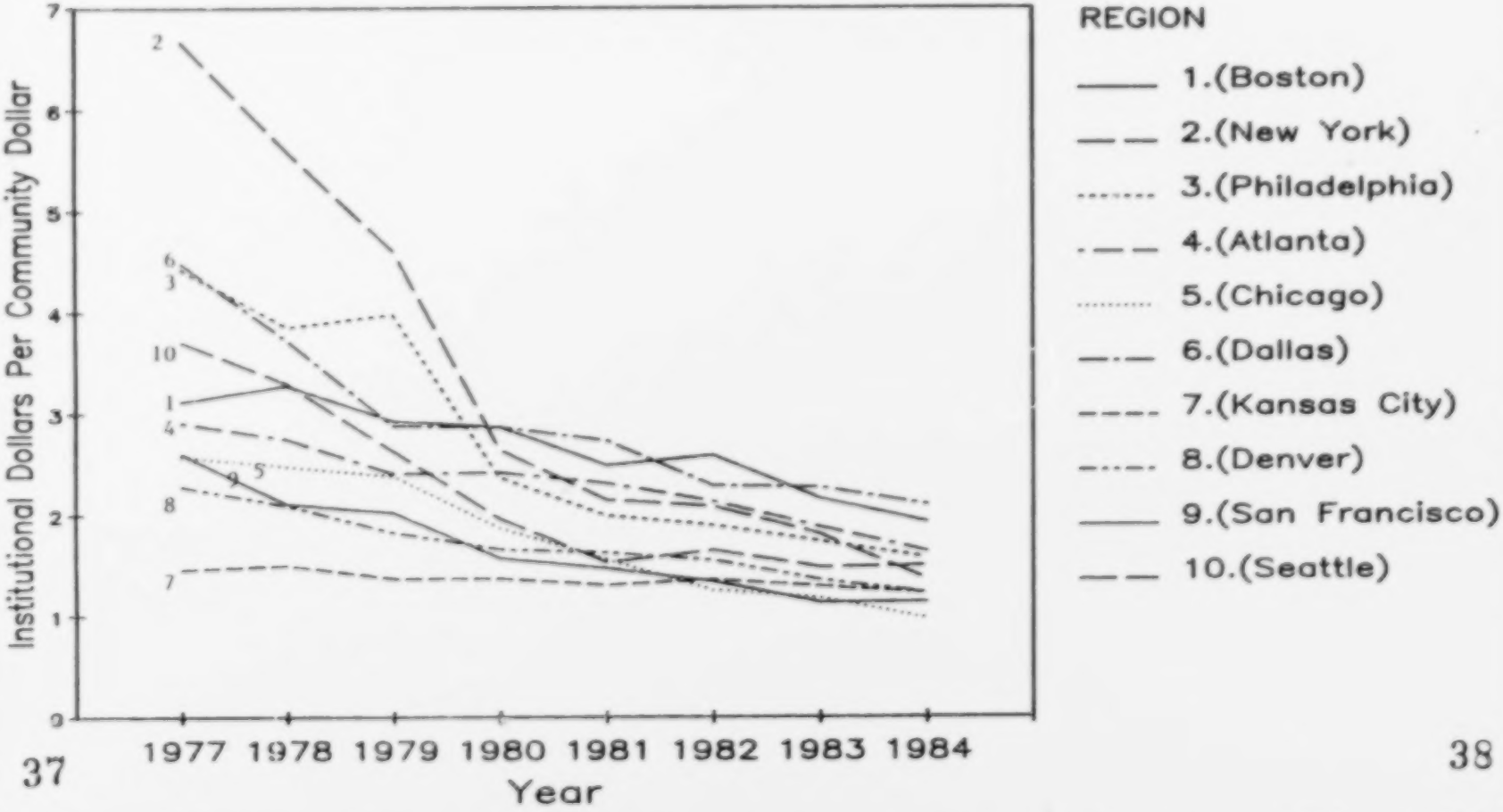
Nebraska was the only state in 1977 with an I/C ratio below 1:1. The ratio was .87/1 that year. It fell to .53/1 in 1984, considerably below that of any other state. Nebraska, Colorado, and Minnesota were the only three states with a 1:1 or better ratio in terms of the aggregated 1977-84 expenditures. During this eight-year period, ten more states achieved or exceeded 1:1 parity between institutional and community spending. The states and their 1984 ratios were: Florida (.63/1), Minnesota (.72/1), Ohio (.75/1), Colorado (.77/1), Rhode Island (.78/1), Michigan (.81/1), Montana (.94/1), Maine (.94/1), New Hampshire (.95/1), and Vermont (1/1). Chart 6 below displays I/C ratios for each region of the country.

ICF/MR Spending

At the Federal level, ICF/MR reimbursements of state and private sector services had totaled $12.964 billion cumulatively over the 1977-84 period. Of this sum, $10.608 billion was deployed from Washington as reimbursements of institutional services; $2.356 billion was expended as reimbursement of community based services. In the past eight years, $4.50 in ICF/MR reimbursement was spent in the institution for every dollar spent in the community. This is 82% to 18%.

ICF/MR spending was Title XIX's most rapidly growing program area in the 1970s. In unadjusted terms, institutional and community services federal reimbursements have advanced from $570 million and $45 million respectively in 1977, to $1.910 billion and $663 million in 1984. In 1984, Federal-share ICF/MR reimbursements were 45% of total institutional expenditures and 21% of community services expenditures.

Ratio of MR/DD Institutional and Community Expenditures for Each Region FY 1977–84



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Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

The ICF/MR Program is, however, a Federal-State program, and its impact on state programming is perhaps best measured in terms of the combined volume of Federal and state funds deployed for MR/DD services. In 1977, ICF/MR federal and state reimbursements for institutional and community services was $1.143 billion nationally. This represented 36%, or over one-third of total spending for MR/DD services in institutional and community settings in the U.S. that year. Eight years later, 1984 federal-state reimbursement levels reached $4.477 billion--which was 61% or approximately two-thirds of total institutional and community services spending of $7.378 billion across the entire country that year. (Note: These calculations define "total" spending in terms of the model used in this study--State general funds, Title XX-SSBG funds, Title XIX-ICF/MR funds; and miscellaneous other federal and state funds.)

Cumulatively, over the 1977-84 period, $41.87 billion in federal-state funds were expended for institutional and community services in the U.S. Twenty-four billion dollars of that amount was comprised of Federal-state ICF/MR funds. This is 57% of total cumulative expenditures during the 1977-84 period, thus demonstrating the fiscal dominance of ICF/MR funds in MR/DD state service systems.

Measuring MR/DD Policy Effort in the States

The comparative analysis of expenditures for institutional and community services summarized up to this point has employed what might be termed "intrinsic" indices to measure performance within and across states over time. For example, expenditures for institutional and community services have been determined in each state and in the District of Columbia over an eight-year period, and the annual growth rates in these two categories of expenditures have been ascertained. Each state's rates have then been compared with all other states' growth rates in the two categories. Various national rankings have been assigned for each state's institutional spending, for community spending, and for consolidated spending in both categories. Growth rates have also been determined for individual institutional and community revenue sources such as the ICF/MR Program, Title XX, and State General Fund Expenditures.

These techniques involve conceptualization of state MR/DD spending as a total system for analytical purposes. But, of course, state MR/DD institutional and community spending policy decisions do not occur in a vacuum, nor do they constitute a true system. They are made within the larger contexts of the economic wealth of the state, total state budget policy, and the dynamics of population demography. These factors are thus "extrinsic" indicators of the larger political and economic system in which MR/DD expenditure decisions are actually made and implemented.

An increase in adjusted spending for MR/DD services, for instance, is more indicative of policy effort in a state with stable or declining wealth than it is in a state with increasing wealth. A state in which MR/DD spending is growing faster than the total state budget is demonstrating more

MR/DD policy effort than a state in which state MR/DD spending is growing less than the rate of growth of the total state budget. Similarly, since state population has increased rapidly over the 1977-84 period in many sunbelt states, MR/DD spending per resident of the general population should be calculated in terms of incremental gains in the states' population bases. If MR/DD spending is constant in a given state over time, and the state's general population increases, then that given state is displaying relatively less policy effort than is a state with identical MR/DD expenditure patterns, but a stable or declining population.

Measuring state MR/DD policy effort over time in terms of state wealth, the total state budget, and general population dynamics involves adopting valid and reliable constructs indicative of these three factors. Aggregate statewide personal income was the indicator chosen to gauge state wealth (Bureau of Economic Analysis, U.S. Department of Commerce). Total state government spending figures collected by the Government's Division of the Bureau of the Census were used to index the total state budget. General populations in the states were obtained from the U.S. Bureau of the Census.

MR/DD Expenditures as a Share of Statewide Personal Income

National Trends

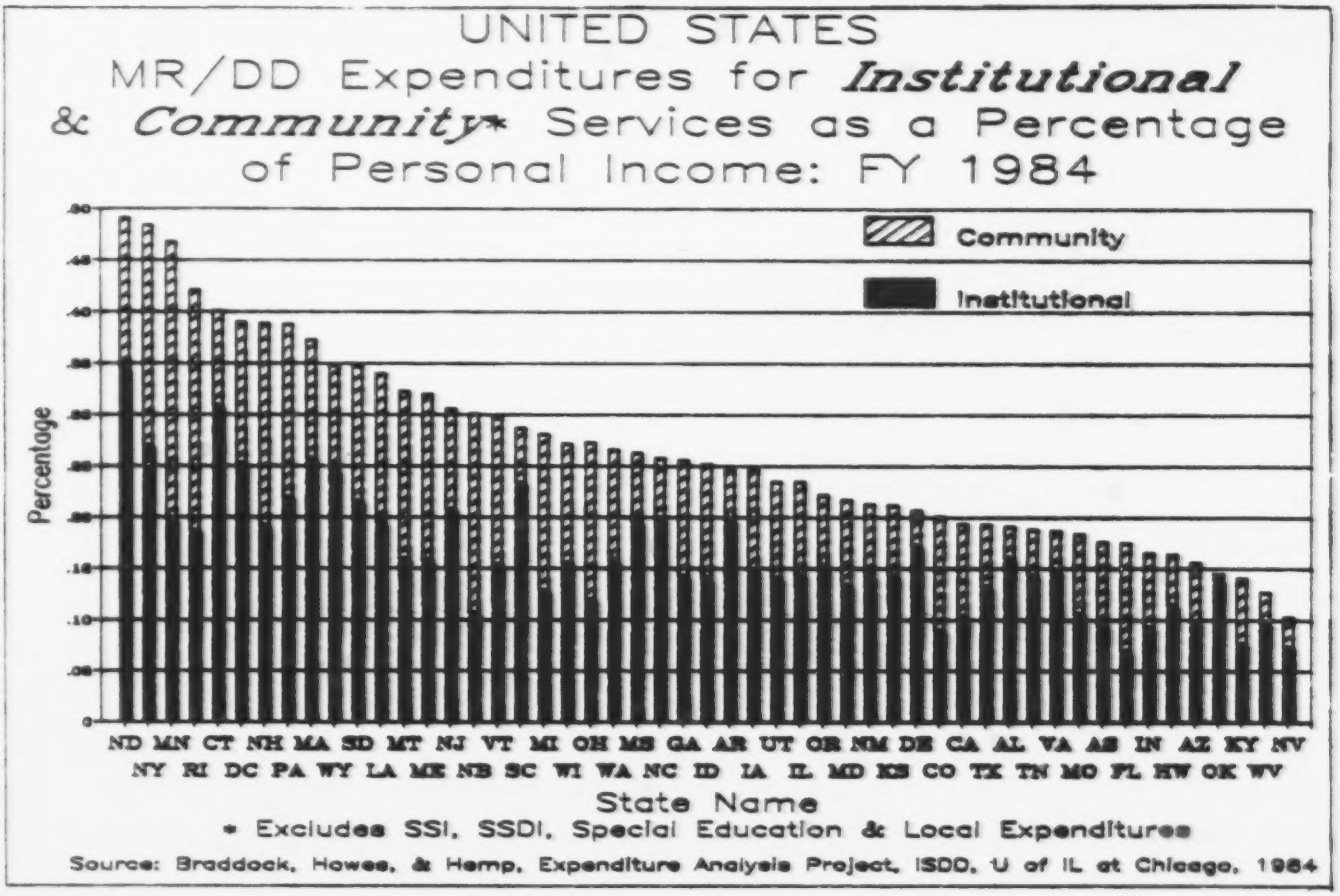
Aggregate personal income in the United States in 1977 was $1.374 trillion, advancing to $2.731 trillion in 1984 on an unadjusted basis. Adjusted growth in U.S. personal income over the eight year period was 13.1%, or about 2% per year. Total MR/DD spending for institutional and community services in the states grew from $.23 per $100 of personal income in 1977 to $.27 per $100 in 1984. This is an adjusted MR/DD growth rate of 32% over the 1977-84 period, or approximately 2.5% per year in excess of the adjusted rate of growth of U.S. personal income (2% per year).

Total MR/DD spending growth as a share of personal income, however, shielded the underlying decline in institutional spending which dropped from $.18 to $.16 per $100 of personal income. Conversely, the community sector displayed prodigious growth. The spending share doubled from $.05/$100 in 1977 to $.11/$100 of personal income in 1984. This is an eight-year adjusted increase of 137% in MR/DD community spending, or an average 13% per year--well above the average annual 2% adjusted increase in nationwide personal income.

As usual, the national pattern concealed the diversity of the states. North Dakota, for example, spent nearly $.50/$100 of personal income in 1984 for consolidated institutional and community expenditures. North Dakota, New York, and Minnesota were the national leaders, allocating between $.45 and $.50/$100 in personal income. Nevada, West Virginia, Kentucky and Oklahoma spent, at the other extreme, between $.10 and $.15/$100. Rhode Island, Connecticut, District of Columbia, New Hampshire, Pennsylvania, Massachusetts, and Wyoming completed the "top ten," expending from $.35 to $.40/$100. Seven states budgeted between $.30 and $.35/$100: South Dakota, Louisiana, Montana, Maine, New Jersey, Nebraska, and Vermont. These states

spent more than the nation's aggregate of $.27/$100. The laggards (besides Nevada, West Virginia, Kentucky and Oklahoma), ranking in the bottom ten were Arizona, Hawaii, Indiana, Florida, Alaska, and Missouri. These states budgeted between $.15 and $.18/$100 of personal income. The remaining 24 states were clustered in the middle and spent between $.18 and $.28/$100 of personal income for MR/DD services in 1984 (Chart 7).

CHART 7


UNITED STATES
MR/DD Expenditures for Institutional & Community* Services as a Percentage of Personal Income: FY 1984
Community
Institutional
Percentage
ND MN CT NH MA SD MT NJ VT MI OH MS GA AR UT OR NM DE CA AL VA AS IN AZ KY NV
NY RI DC PA WY LA ME NB SC WI WA NC ID IA IL MD KS CO TX TN MO FL HW OK WV
State Name
* Excludes SSI, SSDI, Special Education & Local Expenditures
Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Institutional Services

Institutional services spending leaders in terms of 1984 personal income share were North Dakota, Connecticut, New York, Massachusetts, District of Columbia, Wyoming, South Carolina, Pennsylvania, South Dakota, and New Jersey. These ten states spent between $.20 and $.34/$100. The aggregate for institutional services spending as a share of personal income for the nation was $.16/$100 and the range was $.07 to $.34. Eleven lagging states spent from $.07/$100 to $.10/$100: Florida, Nevada, Kentucky, Colorado, Indiana, Alaska, West Virginia, Arizona, California, Missouri, and Nebraska. The remaining 30 states expended between $.10 and $.20/$100 of personal income in 1984.

Community Services

Community services spending in the states as a share of personal income in 1984 differed substantially from the institutional rankings. Many states near the bottom or middle of the institutional list ranked near the top on community spending. New York and Pennsylvania were the only states scoring in the top ten in both categories. (North Dakota came close. It was first in institutional spending; and eleventh in community expenditures.) The top ten, spending between $.28 and $.16/$100 were Minnesota, Rhode Island, New York, New Hampshire, Nebraska, Pennsylvania, Montana, Maine, Ohio, and Michigan.

The bottom ten were Oklahoma, Nevada, West Virginia, Alabama, Delaware, Virginia, Tennessee, Hawaii, Arkansas, and South Carolina. These trailing states expended between less than $.01 and $.06/$100 of personal income in 1984. The remaining 31 states budgeted from $.06 and $.15/$100. Several major industrial states ranked below the median community services expenditures as a share of personal income in 1984. They were Illinois (28th), California (29th) and Texas (39th).

Many changes in the relative priority assigned to community serivces as a function of state wealth occurred during the 1977-84 interim. The states of Wisconsin, Georgia, Idaho, Colorado, Iowa, and Kansas fell out of the top ten and into 16th, 18th, 19th, 20th, 25th, and 35th place, respectively. Minnesota retained its premiere ranking; Pennsylvania climbed from 10th to 6th; New York leapt from 26th to 3rd; Nebraska slipped from 2nd to 5th; Montana dropped from 4th to 7th. Michigan reversed its position from 43rd to 10th. New Hampshire moved all the way from 36th to 4th. The District of Columbia progressed from 49th to 14th.

MR/DD Expenditures as a Share of the Total State Budget

National Trends

Total state government expenditures advanced in unadjusted terms from $193 billion in 1977 to $334 billion in 1983. In real terms, state budget growth was considerably reduced--averaging only .9% annually or 6.2% over the entire seven-year period. Adjusted state spending actually dropped by 3% between 1981 and 1982, and it was flat in terms of 1981 and 1983 spending levels. The 1981 recession squeezed state tax revenues, and the Omnibus Budget Reconciliation Act slowed the rate of growth in Federal grants-in-aid to the states.

Even given these constricting economic forces, consolidated funds expended for MR/DD institutional and community services in the U.S. showed steady annual growth. The share of the 51 aggregated state government budgets in 1977 devoted to MR/DD was 1.65%. By 1983, the MR/DD share was 2.03% of total state spending. This was a seven year MR/DD gain of 23%; and an average annual gain of 3% against the total general expenditures of all U.S. state governments budgets.

The institutional component of state government expenditures was basically flat between 1977 and 1983, actually dropping marginally from 1.26% to 1.24%. However, MR/DD community spending as a share of total state government expenditures doubled, growing from .39% in 1977 to .79% in 1983.

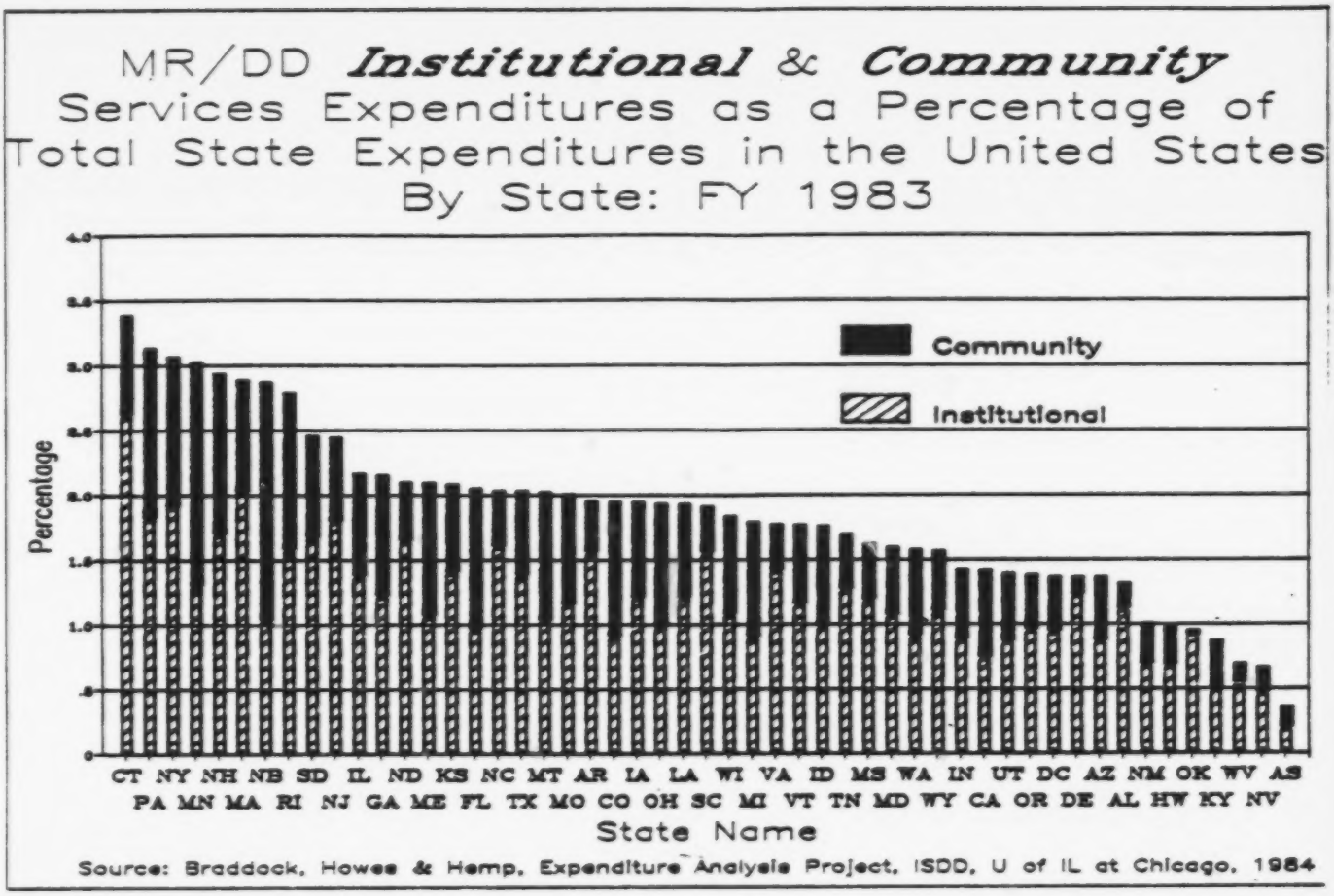
The exclusion of federal funds from the total expenditures of U.S. state governments presents a very different picture of MR/DD spending patterns. Between 1977 and 1984, consolidated MR/DD community and institutional expenditures fell very slightly from 2.78% to 2.66% of net state government spending. However, MR/DD institutional spending plunged, falling from 2.15% to 1.37% of the 51 aggregated net state government budgets. Meanwhile, MR/DD community spending from total net state government "own-source" revenues jumped from .63% to 1.29%. During the 1977-84 interim, community spending as a share of net state general expenditures dropped only once--in 1978--and advanced every year thereafter. The most rapid gain occurred in 1982 (17%).

In sum, the large and consistent annual reductions in the share of net state funds devoted to MR/DD institutional spending has been compensated by the rapidly growing federal presence in the budgets of state MR/DD institutions. In the community sector, states in the aggregate have been allocating a rapidly increasing percentage of their own-source revenues for the past eight years. In terms of all states' own-source expenditures in the aggregate, there is near-parity in 1984 between total MR/DD funds expended for institutional services and total monies budgeted for community-based operations. The point of intersection of the institutional and community expenditure trendlines will quite probably occur in 1985. The significance of this graphic intersection is underscored by the fact that such a geometric relationship has probably not existed for more than 125 years in the United States.

As usual there is considerable variety in 1983 performance among the states on the total state budget dimension (These calculations include federal funds and reflect consolidated institutional and community expenditures.). The range is from 3.4% in Connecticut to .37% in Alaska. The median is 1.9% (South Carolina). The top ten states along with their share of the 1983 total state budget were Connecticut, Pennsylvania (3.1%), New York (3.1%), Minnesota (3.0%), New Hampshire (2.9%), Massachusetts (2.9%), Nebraska (2.9%), Rhode Island (2.8%), South Dakota (2.5%), and New Jersey (2.4%).

Ten states spent between 2.2% and 2.0%: Illinois, Georgia, North Dakota, Maine, Kansas, Florida, North Carolina, Texas, Montana, and Missouri. Seven states expended 1.0% or less of their total state budget for MR/DD institutional and community services. These states included New Mexico (1.0%), Hawaii (.99%), Oklahoma (.98%), Kentucky (.88%), West Virginia (.70%), Nevada (.67%) and Alaska (.37%). The remaining 24 states spent between 2.0% and 1.0% of their total state budget for MR/DD services (see Chart 8).

CHART 8


MR/DD Institutional & Community
Services Expenditures as a Percentage of
Total State Expenditures in the United States
By State: FY 1983
Community
Institutional
Percentage
CT NY NH NB SD IL ND KS NC MT AR IA LA WI VA ID MS WA IN UT DC AZ NM OK WV AS
PA MN MA RI NJ GA ME FL TX MO CO OH SC MI VT TN MD WY CA OR DE AL HW KY NV
State Name
Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Institutional Share of the States' Budgets

Among the ten state leaders in consolidated MR/DD spending as a percentage of the 1983 total state budget, only Minnesota and Nebraska did not also rank in the top ten for institutional spending. They ranked 17th and 31st respectively, reflecting a relatively lower state financial priority. The state of Connecticut dramatically outspent all other states in the share of its state budget devoted to institutional services. It spent 2.6% of its state budget while the second ranked state--Massachusetts-spent 2%.

The range among the states was typically wide: from 2.6% in Connecticut to .19% in Alaska. The median was Alabama at 1.11%. States spending in excess of 1.5% of their total state budget for institutional services included Connecticut (2.6%), Massachusetts (2.0%), New York (1.9%), Pennsylvania (1.8%), New Jersey (1.8%), New Hampshire (1.7%), South Dakota (1.7%), North Dakota, North Carolina, Rhode Island, Arkansas, and South Carolina (1.6%).

Seven states spent less than three-fourths percent of total state funds in institutional services: California (.74%), New Mexico (.68%), Hawaii (.68%), West Virginia (.54%), Kentucky (.50%), Nevada (.46%) and Alaska (.19%). The remaining 32 states spent between 1.5% and .75% of their total state budgets for MR/DD institutional services.

Community Share of the States' Budgets

The top six ranked states in community services expenditures as a share of the total state budget also appeared in the top ten consolidated services rankings. These six states were Nebraska (1.85%), Minnesota (1.74%), Pennsylvania (1.33%), New Hampshire (1.26%), Rhode Island (1.22%), and New York (1.71%). Four additional states spent more than one percent of the state budget on MR/DD community services: Florida (1.10%), Colorado (1.06%), Maine (1.04%), and Montana (1.01%). The bottom ten included Oklahoma (.02%), Delaware (.15%), West Virginia (.16%), Alaska (.18%), Nevada (.21%), Alabama (.22%), Hawaii (.31%), New Mexico (.33%), South Carolina (.37%) and Virginia (.37%). Thirty-one states fell between the extremes, scoring from .95% to .38%, and the median state was Texas (.67%).

Nebraska and Minnesota expended a far larger share of their total state budget for community services operations than did any other states. Pennsylvania ranked third. It is important to stress that Nebraska, like Pennsylvania, is struggling with equitably delivering community-based services across the entire state. Nebraska has a concentration of community services in the five county Omaha region. Pennsylvania's community resources are concentrated in the southeast region of the state.

MR/DD Per Capita Expenditures

National Trends

A third measure of MR/DD spending was applied relating expenditures to the states' general populations. The U.S. population has grown from 217.6 million persons in 1977 to an estimated 233.8 million in 1984. During this eight year period, consolidated spending for community and institutional services rose from $14.62 per capita in 1977 to $31.55 in 1984. This is an eight year unadjusted increase of 116%, and an average annual increase of 12% per year.

Institutional expenditures grew much more slowly, registering an unadjusted gain from $11.20 to $18.29. This is a 63% increase across the period, or an average of 7% per year. Since inflation at the state and local level averaged 8.41%/year between 1977-84 (Bureau of Economic Analysis, 1984), and since the nation's general population has increased, institutional spending diminished on a per capita basis during this period in real economic terms from $11.20 to $10.41 per capita in 1977 dollars. Community spending, however, increased from $3.42 per capita to $13.25--a 287% gain (21.6%/year). Adjusting for the impact of inflation, the increase is still an impressive 12% per year (1984 per capita of $7.54).

In 1984, per capita spending for consolidated MR/DD expenditures ranged from $11.51 in West Virginia to $64.24 per capita in the District of Columbia. New York spent $63.90 per capita. Three states spent between $60 and $50 per capita: Connecticut ($59.70), North Dakota ($56.04), and Minnesota ($54.84). Six states spent between $50 and $40 per capita: Massachusetts ($49.04), Rhode Island ($48.62), New Hampshire ($45.47), Pennsylvania ($44.85), New Jersey ($43.26), and Wyoming ($41.83). A dozen states expended only from $10 to $20 per capita: West Virginia, Nevada, Kentucky, Oklahoma, Arizona, Indiana, Tennessee, Alabama, Missouri, Hawaii, Florida, and New Mexico. The remaining 28 states spent between $35 and $21 per capita.

The states making the most rapid gains in relative position in the consolidated expenditure rankings between 1977 and 1984 included New Hampshire, which jumped from 37th to 8th; Maine--36th to 18th; North Dakota--17th to 4th; Delaware--40th to 28th; Ohio--30th to 19th; Massachusetts--15th to 6th; New Jersey--19th to 10th; Mississippi--46th to 38th; and Maryland--31st to 24th. Among the most populous states, California improved from 33rd to 30th; New York slipped from 1st to 2nd; Texas fell from 32nd to 35th; Pennsylvania dropped from 3rd to 9th; and Illinois dropped from 14th to 23rd in per capita expenditures.

Institutional Services

Institutional per capita spending in 1984 ranged from a high of $45 in Connecticut to a low of about $7 in Kentucky. Four states spent between $45 and $35 per capita: Connecticut, District of Columbia ($41), North Dakota ($39), and New York ($35). Four states spent from $35 to $25: Massachusetts ($34), Wyoming ($29), New Jersey ($29), and Pennsylvania ($25). The great majority of states (38) expended from $25 to $10 per capita. Only five states spent less than $10 per capita--Kentucky ($7), Florida ($8), West Virginia ($9), Nevada ($9), and Indiana ($10).

Community Services

MR/DD community expenditures on a per capita general population basis closely parallel the community spending rankings computed in terms of the total state budget and of personal income. The range was from $32 per capita in Minnesota to $1 in Oklahoma. The 10 state leaders were Minnesota, New York ($29), Rhode Island ($27), New Hampshire ($23), District of Columbia ($23), Nebraska ($22), Pennsylvania ($20), Michigan ($18), Ohio ($18), and North Dakota ($17). Twenty states expended between $19 and $11 per capita. Nine states spent $5 or less per capita for community services: South Carolina, Virginia, Arkansas, Delaware, Tennessee, Nevada, Alabama, West Virginia, and Oklahoma. The remaining 12 states budgeted between $10 and $5 per capita for community services in 1984.

The District of Columbia displayed the most dynamic pattern of expenditure growth between 1977 and 1984 in terms of per capita MR/DD community spending. The District ranked 46th among the 51 government units in 1977 in this category and fifth in 1984. Other states exhibiting large

positive changes in relative position included North Dakota--50th to 10th; Michigan--42nd to 8th; New Hampshire--33rd to 4th; Vermont--43rd to 15th; Louisiana--36th to 14th; New York--23rd to 2nd; Maine--26th to 12th; Rhode Island--16th to 3rd; and New Jersey--30th to 18th. Six of the ten states (including D.C.) which demonstrated the greatest growth between 1977 and 1984 are small and sparsely populated. This seems to be indicative of the fact that comprehensive system change may be possible in shorter timeframes in the less populated states. However, Michigan, New York, and New Jersey, three of the largest states, also made impressive gains in per capita community spending. The presence of Louisiana in the top ten suggests that rapidly increasing community expenditures are not confined to the Northeast/Midwest corridor.

States experiencing the most substantial reduction in national position on the per capita expenditure variable were led by Iowa, which plummeted from 4th to 29th and Arkansas which fell from 20th to 45th. Hawaii declined from 15th to 39th; Kansas--8th to 31st; Wisconsin--3rd to 21st; Idaho--12th to 30th; Georgia--9th to 26th; Indiana--19th to 34th; South Carolina--31st to 43rd; North Carolina--29th to 41st; Alabama--37th to 49th; and Missouri dropped from 22nd to 33rd.

Summary: Measuring Fiscal Effort
in the States: FY 1984

Table I below displays comprehensive state rank in 1984 on the three scales of state MR/DD fiscal effort: Personal Income Share; Total State Budget Share; and Per Capita (General Population) Expenditure. A given state's ranks on each of the three indices have been averaged across all three measures to provide a single comprehensive scale score.

* *

NOTE: Section G in the Appendix (page A-53) provides a FY '84 ranking with the inclusion of SSI State Supplementation in Community Services expenditures--see Table IV, page A-54.

* *

Cumulative Financial Performance
in the States: FY 1977-1984

The most comprehensive measure of state MR/DD policy effort is one that is cognizant of the cumulative impact of eight consecutive years of MR/DD policy decisions. Neither the computation of a given state's expenditures at a point in time, nor the determination of growth between two points several years apart, is the most accurate measure of state financial performance over long time spans. The state which spends $50 million for community services in 1977 and $100 million in 1984 may have budgeted $50 million annually for 1977-83 and $100 million in 1984; or it may have spent $50 million in 1977 and $100 million every year annually since 1978. The cumulative resources available in the state under the former condition amount to $450 million. The resources budgeted under the latter are $750 million. The figures are also unadjusted: states spending larger sums in earlier years spend relatively more in real economic terms than states with recent spending increases.

TABLE I

FISCAL EFFORT FOR COMMUNITY SERVICES, INSTITUTIONAL SERVICES, AND FOR BOTH SECTORS COMBINED: FY 1984

	1984 COMMUNITY SERVICES	Avg.	1984 INSTITUTIONAL SERVICES	Avg.	1984 BOTH SECTORS COMBINED	Avg.
1	MINNESOTA	1.33	CONNECTICUT	1.33	NEW YORK	2.33
2	RHODE ISLAND	3.33	NEW YORK	3.33	CONNECTICUT	3.00
3	NEW YORK	3.67	MASSACHUSETTS	3.67	MINNESOTA	4.00
4	NEW HAMPSHIRE	4.00	NORTH DAKOTA	4.00	PENNSYLVANIA	6.33
5	NEBRASKA	4.00	PENNSYLVANIA	6.67	NORTH DAKOTA	6.33
6	PENNSYLVANIA	5.33	NEW JERSEY	7.33	RHODE ISLAND	6.33
7	MONTANA	9.33	SOUTH DAKOTA	9.67	NEW HAMPSHIRE	6.67
8	MAINE	9.67	NEW HAMPSHIRE	10.67	MASSACHUSETTS	7.00
9	OHIO	10.00	SOUTH CAROLINA	11.00	SOUTH DAKOTA	11.00
10	MICHIGAN	10.33	NORTH CAROLINA	12.00	NEW JERSEY	11.67
11	MASSACHUSETTS	14.67	MINNESOTA	12.67	NEBRASKA	12.33
12	COLORADO	15.00	RHODE ISLAND	13.00	MAINE	13.67
13	LOUISIANA	16.33	WYOMING	13.00	MONTANA	16.00
14	FLORIDA	17.67	ARKANSAS	14.33	DIST OF COLUM	16.00
15	SOUTH DAKOTA	18.00	DIST OF COLUM	14.67	LOUISIANA	16.33
16	NORTH DAKOTA	18.33	DELAWARE	16.00	WYOMING	19.00
17	GEORGIA	18.33	LOUISIANA	17.33	MICHIGAN	20.67
18	VERMONT	18.67	VIRGINIA	20.00	GEORGIA	21.00
19	WISCONSIN	19.00	KANSAS	20.67	OHIO	21.33
20	DIST OF COLUM	19.00	MISSISSIPPI	21.33	ILLINOIS	21.33
21	CONNECTICUT	21.67	ILLINOIS	21.33	WISCONSIN	22.33
22	WASHINGTON	22.00	IOWA	24.33	VERMONT	22.67
23	IDAHO	22.33	WISCONSIN	24.33	SOUTH CAROLINA	24.33
24	NEW JERSEY	23.00	WASHINGTON	25.67	NORTH CAROLINA	24.33
25	ILLINOIS	23.67	MONTANA	26.00	WASHINGTON	24.67
26	IOWA	25.33	ALABAMA	26.00	KANSAS	24.67
27	CALIFORNIA	26.00	VERMONT	26.33	IOWA	25.33
28	WYOMING	26.33	TEXAS	27.33	ARKANSAS	28.00
29	MISSOURI	26.67	MAINE	28.00	COLORADO	29.67
30	KANSAS	29.00	OREGON	28.33	MARYLAND	30.00
31	MARYLAND	29.33	GEORGIA	28.67	TEXAS	30.33
32	UTAH	29.67	TENNESSEE	28.67	IDAHO	30.33
33	ALASKA	31.67	MARYLAND	29.33	MISSISSIPPI	31.33
34	INDIANA	32.00	OKLAHOMA	33.67	FLORIDA	33.67
35	TEXAS	33.67	IDAHO	36.33	OREGON	34.67
36	OREGON	36.67	MISSOURI	37.00	MISSOURI	33.00
37	ARIZONA	37.00	OHIO	37.33	CALIFORNIA	35.00
38	MISSISSIPPI	38.00	MICHIGAN	37.67	DELAWARE	35.00
39	NEW MEXICO	38.33	NEBRASKA	38.33	UTAH	35.67
40	NORTH CAROLINA	39.00	NEW MEXICO	38.33	VIRGINIA	35.67
41	KENTUCKY	39.67	UTAH	39.33	ALASKA	38.67
42	SOUTH CAROLINA	42.67	HAWAII	41.00	TENNESSEE	39.00
43	ARKANSAS	42.67	CALIFORNIA	42.00	NEW MEXICO	39.33
44	HAWAII	42.67	ALASKA	42.00	ALABAMA	42.33
45	TENNESSEE	43.00	COLORADO	44.33	INDIANA	42.67
46	VIRGINIA	44.00	ARIZONA	44.67	HAWAII	44.67
47	ALABAMA	47.67	FLORIDA	45.33	ARIZONA	45.67
48	DELAWARE	47.67	INDIANA	45.33	OKLAHOMA	47.67
49	NEVADA	48.33	WEST VIRGINIA	47.33	KENTUCKY	48.67
50	WEST VIRGINIA	49.33	NEVADA	49.33	WEST VIRGINIA	50.00
51	OKLAHOMA	51.00	KENTUCKY	49.67	NEVADA	50.33

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State institutional systems are public investments essentially performing at full maturity. The states have been operating institutions for more than a century. There has been a steady real economic increase in institutional expenditures nearly every year since the close of World War Two. With the enactment of the Social Security Amendments of 1971, Federal ICF/MR reimbursements in state-operated institutions were authorized. There followed a period of rapid expansion in facility construction and renovation and in operations expenditures. The institutional system had, by the initial year of our investigation, established enormous fiscal mass and inertia. Total spending for institutions surpassed $1 billion in the early 1970's and by 1977 had reached $2.436 billion and showed no visible signs of slowing down.

Over the eight year period of this investigation, $27.62 billion was expended for the operation of America's more than 240 mental retardation institutions. An amount equal to one-half this sum--$14.25 billion--was spent during the same period for community-based services operations. Even though real economic growth in institutional funding stalled during the 1977-84 period, the large sums involved in financing public institutions represented a very large and continuing financial obligation to be met.

If these sums are adjusted for the impact of inflation, the dominance of institutional funding is especially striking. In constant 1977 dollars $20.16 billion was expended for institutional services over the 1977-84 period. Only $9.88 billion was expended for community services. Expressed in percentages, 67% of the $30.04 billion in adjusted funds expended for consolidated MR/DD services was budgeted in the institution. The remaining 33% was deployed in the community. Therefore, twice the MR/DD funds in real economic terms expended in the states between 1977-84 were spent for institutional services rather than community-based alternatives.

A summary of state rankings on the cumulative eight-year index of fiscal effort is presented below in Table II. The list was generated by computing state ranks on the MR/DD shares of personal income, the total state budget, and also expenditures per capita/general population. A "Comprehensive Score," the average of the states' scores on the three fiscal indices, was then computed for the three funding sectors: 1) institutional services; 2) community services; and 3) both sectors combined (Table II).

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TABLE II

CUMULATIVE RANKING OF EFFORT FOR COMMUNITY SERVICES, INSTITUTIONAL SERVICES, AND FOR BOTH SECTORS COMBINED: FY 1977-1984

	1977-1984 COMMUNITY SERVICES	Avg.	1977-1984 INSTITUTIONAL SERVICES	Avg.	1977-1984 BOTH SECTORS COMBINED	Avg.
1	MINNESOTA	1.33	NEW YORK	1.33	NEW YORK	2.00
2	NEBRASKA	1.67	CONNECTICUT	3.00	MINNESOTA	3.33
3	PENNSYLVANIA	3.67	MASSACHUSETTS	4.00	PENNSYLVANIA	3.33
4	MONTANA	5.00	NORTH DAKOTA	4.67	CONNECTICUT	4.33
5	NEW YORK	6.00	PENNSYLVANIA	5.00	MASSACHUSETTS	5.00
6	WISCONSIN	7.33	SOUTH CAROLINA	7.00	RHODE ISLAND	7.00
7	COLORADO	7.67	NEW JERSEY	8.33	NEBRASKA	10.00
8	GEORGIA	9.33	RHODE ISLAND	8.33	WISCONSIN	12.33
9	IOWA	10.00	SOUTH DAKOTA	9.67	NEW JERSEY	12.33
10	RHODE ISLAND	10.33	VERMONT	13.00	NORTH DAKOTA	12.33
11	MASSACHUSETTS	12.00	NORTH CAROLINA	13.67	SOUTH DAKOTA	14.67
12	MAINE	12.33	MINNESOTA	15.67	MONTANA	15.33
13	OHIO	12.67	WYOMING	16.00	SOUTH CAROLINA	17.33
14	IDAHO	15.33	ILLINOIS	17.00	GEORGIA	18.33
15	KANSAS	18.33	LOUISIANA	17.33	ILLINOIS	18.67
16	CALIFORNIA	19.00	DIST OF COLUM	17.67	VERMONT	18.67
17	NEW HAMPSHIRE	19.67	ARKANSAS	18.33	DIST OF COLUM	19.00
18	MICHIGAN	20.00	WISCONSIN	19.33	KANSAS	19.67
19	WASHINGTON	20.33	VIRGINIA	20.33	LOUISIANA	19.67
20	MISSOURI	20.67	KANSAS	20.33	WYOMING	20.33
21	FLORIDA	21.00	NEW HAMPSHIRE	21.00	IOWA	20.67
22	ALASKA	22.00	DELAWARE	23.33	NEW HAMPSHIRE	22.67
23	ILLINOIS	22.33	MICHIGAN	24.00	OHIO	23.33
24	CONNECTICUT	23.00	GEORGIA	26.67	MAINE	23.67
25	LOUISIANA	26.00	TEXAS	27.00	NORTH CAROLINA	24.67
26	VERMONT	26.00	ALABAMA	27.00	COLORADO	25.00
27	SOUTH DAKOTA	26.67	MONTANA	27.33	MICHIGAN	25.33
28	NEW JERSEY	27.67	MISSISSIPPI	28.00	IDAHO	25.33
29	WYOMING	28.33	WASHINGTON	28.00	ARKANSAS	26.33
30	INDIANA	28.67	IOWA	30.00	WASHINGTON	26.67
31	UTAH	29.33	MAINE	30.33	TEXAS	30.67
32	TEXAS	32.00	OHIO	30.67	MISSOURI	32.33
33	ARKANSAS	34.00	MARYLAND	31.33	VIRGINIA	33.00
34	MISSISSIPPI	34.00	IDAHO	31.67	ALASKA	33.00
35	MARYLAND	34.67	TENNESSEE	32.33	MISSISSIPPI	33.67
36	DIST OF COLUM	35.00	OREGON	34.33	MARYLAND	35.67
37	NORTH DAKOTA	36.33	NEBRASKA	35.67	CALIFORNIA	35.67
38	OREGON	36.67	MISSOURI	36.67	OREGON	36.00
39	HAWAII	38.67	UTAH	38.33	UTAH	36.67
40	NEW MEXICO	39.00	HAWAII	39.33	FLORIDA	38.00
41	NORTH CAROLINA	39.00	ALASKA	39.67	TENNESSEE	38.67
42	TENNESSEE	39.33	OKLAHOMA	39.67	ALABAMA	38.67
43	ARIZONA	39.67	NEW MEXICO	40.00	NEW MEXICO	40.67
44	SOUTH CAROLINA	41.33	CALIFORNIA	42.33	HAWAII	41.67
45	VIRGINIA	44.00	ARIZONA	42.67	DELAWARE	41.67
46	KENTUCKY	45.00	COLORADO	43.00	INDIANA	42.00
47	ALABAMA	46.33	FLORIDA	43.33	ARIZONA	44.33
48	NEVADA	47.33	INDIANA	44.00	OKLAHOMA	47.33
49	WEST VIRGINIA	49.00	WEST VIRGINIA	48.00	WEST VIRGINIA	49.00
50	DELAWARE	50.00	KENTUCKY	50.00	KENTUCKY	49.67
51	OKLAHOMA	51.00	NEVADA	50.33	NEVADA	50.33

Administrative and Budgeting Characteristics in the States

The purpose of the administrative and budgeting analysis component of the State Government Expenditure Study was to provide a better understanding of state budgeting structures, systems, and documents. Using a 44-item coding checklist, our review of state budget documents and MR/DD general ledgers prepared us to make final conceptual and logistical decisions about the ultimate focus of the state-by-state expenditure study. Results of the administrative analysis will be presented first. This discussion will be followed by a summary of our findings on budgeting.

The principal conceptual problems faced in analyzing MR/DD programs in the states is that the important MR/DD service delivery programs are positioned in many different agencies. Moreover, detailed MR/DD expenditure data are often unavailable from them. To deal with this problem, analysis was focused on the Principal State MR/DD program unit which we defined as a combination of certain core MR/DD community and institutional services programs in a given state. Although this unit of analysis was an artificial construct, it did solve numerous conceptual problems regarding what Caiden (1978) calls "the difficulty in establishing uniform concepts and categories" in expenditure analysis research (p. 4).

Enhanced Program Visibility

In the course of our administrative analysis, we uncovered a number of different findings concerning the cabinet level agency location of the Principal State MR/DD program unit, the types of administrative models used to organize such services, the role of local units of government in MR/DD service delivery, and the types of reorganization undergone by these units. Among these diverse findings, a few stand out. First, the increase in the number of cabinet level MR/DD Departments from two to five must be noted. Not only has their number increased, but two of the states which instituted such departments, New York and California, have long been regarded as two of the nation's "bellwether" states which predict future trends in other states. A general overall thrust toward greater and greater organizational visibility for the MR/DD unit was evident over the eight year period: FY 1977-'84.

While the trend toward umbrella agencies in state government organization seems to have abated, the relocation of key institutional and community services program units to different cabinet level agencies appears to be determined by idiosyncratic factors, and a dominant national trend has not been detected. The same interpretation can probably be applied to the reorganization of Principal State MR/DD program units. For example, two states, Kansas and Oklahoma, reorganized their agencies to conform to a client-based model, while two other states, Oregon and Kentucky, changed from this administrative model to one whose organization is by type of service (institutional, community) and whose client types (mental health, DD) are combined. Thus, no clear trend was apparent.

A Program-Level of Analysis

Generally speaking, the practical problems that arise in terms of trying to pursue a trend analysis through organizational changes can be minimized by concentrating on a program level of analysis. The status of different programs, especially major ones like MR/DD community and institutional services, can be tracked--with the aid of knowledgeable state administrators--through the maze of an administrative reorganization more easily than the effects of a reorganization can be sorted out. In other words, it is much easier to track the status of the California MR/DD community program through that state's 1978 major reorganization than it would be to sort out all the effects of that reorganization on California's MR/DD service delivery system.

While most of the analytical problems surrounding the different types of administrative and organizational arrangements used by the several states to organize their MR/DD community and institutional services are primarily conceptual in nature and can be resolved by the selection of an appropriate unit of analysis, the problems that arise in connection with the different types of state budget and reporting systems used by the states are primarily empirical in nature. The three most important of these empirical problems are summarized below.

First, and most importantly, there are ten types of hybrid budgeting systems in use in the 50 states. The primary empirical problem that arises in connection with the analysis of hybrid state budgeting procedures is a "common denominator" problem. Essentially, this problem derives from the differences in the amount of budget detail provided in the various state budgets. As an illustration, the 1983-'84 Arkansas State Budget was available in a slim pamphlet, while the 1983-'84 South Carolina state budget comprised two thick volumes. Expenditure items, especially breakdowns, that are contained in a state's budget for every year or biennium may not exist in a subsequent budget report. Data that are readily available in program or performance budgets may be unavailable in line-item budgets, and vice versa. Thus, one's research strategy is constrained by the lowest common denominator, i.e., the amount of detail in the least detailed budget. For example, if one were interested in comparing performance data for MR/DD programs across states, it would mean significantly curtailing the study since only half of the states provide performance budgeting measures in their state budget documents.

Second, there are five types of capital budgeting methods in use in the 50 states and the District of Columbia. The practical problem raised by the use of these various capital budgeting formats concerns the 10 states that integrate some of their capital expenditures into their regular operating budgets. To insure comparability, the portion of the capital budget that is contained in the regular operating budget has to be subtracted from the total operating expenditures in these 10 states before comparing their operating expenditures with operating expenditures in the other states. The same procedure also had to be followed in connection with fixed equipment costs; in the ten states that include fixed equipment costs in their operating budget, these expenditures had to be subtracted from operating expenditures before comparing with the other states which did not include fixed equipment costs in their operating budgets.

Third, state budget documents reported various types of expenditure figures and these figures had several levels of reliability. The empirical problems posed by the reporting of these different types of expenditure figures were relatively slight as long as the data used for an analysis were based on actual expenditures, obligations, revised appropriations, or appropriated funds. Approximately two-thirds of the states reported a breakdown of state general revenue funds, federal funds, and other state funds at the program level of analysis. Although this variation in state budget documents did not pose as much of a conceptual problem as those variations outlined above--given the supplementary methodology of making direct contact with state administrators--it did pose a problem in terms of the time and labor it took to complete the study. In making requests for program level breakdowns of funding sources, the number of contacts made, the time involved in making satisfactory contacts, the waiting time before receiving the information, and finally, its revision and verification is extensive and usually underestimated at the outset.

Taken separately, each budgeting/accounting and administrative variation may not bias the expenditure figures obtained from state budget documents to any serious degree. If their cumulative effect on reported state expenditures are ignored, however, misleading inferences about the true character of MR/DD policy differences among the states are bound to be made. It is therefore necessary in a study of this type to augment budget document analysis by conducting extensive field interviews with several of the most knowledgeable program officials and budget staff in each state.

* *

PLEASE CONSULT THE APPENDIX FOR AN EXTENSIVE SERIES
OF CHARTS DEPICTING NATIONAL TRENDS IN STATE SPENDING

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CHAPTER 3
ANALYSIS OF FEDERAL GOVERNMENT EXPENDITURES

The second dimension of our investigation of public spending for MR/DD programs was concerned with the activities of the United States Government. Whereas the State Government expenditure analysis embraced only two large Federal programs in addition to state funds (ICF/MR and Title XX), this second component was comprehensive. It extended to dozens of activities omitted from the state-focused analysis--such as special education, SSI/SSDI, and Housing loans. It also traced the historical evolution of Federal MR/DD activity--from the first Children's Bureau funded study published in 1914, to the present day. For additional information on the sources of the data which appear in this Chapter, consult Braddock (1985).

Structure of the Federal Analysis

Collection of fiscal data recording MR/DD expenditures was initially a matter of identifying relevant programs for which appropriations had been made and obligations incurred. Programs were preliminarily identified by examining the body of law authorizing Federal domestic programs. Twenty-four omnibus enactments were identified authorizing appropriations for relevant mental retardation and developmental disabilities activities. These enactments were:

1. Agricultural Trade Development Act as Amended
2. Cooperative Research Act as Amended
3. Developmental Disabilities Services and Facilities Construction Act
4. Domestic Volunteer Service Act as Amended
5. Economic Opportunity Act as Amended
6. Education Professions Development Act
7. Elementary and Secondary Education Act as Amended
8. Food Stamp Aid Act as Amended
9. Hospital Survey and Construction Act as Amended
10. Impact Aid to Federally Affected Areas
11. Lead-Based Paint Poisoning Prevention Act
12. Library Services and Construction Act as Amended
13. Manpower Training Act as Amended
14. Mental Retardation Facilities & Community Mental Health Act as Amended
15. Military Medical Benefits Act as Amended
16. National Defense Education Act as Amended
17. National Housing Act as Amended
18. National Industrial Recovery Act
19. Public Health Service Act as Amended
20. Small Business Act as Amended
21. Social Security Act as Amended
22. Surplus Property Act of 1944 as Amended
23. Vocational Education Act as Amended
24. Vocational Rehabilitation Act as Amended

The 24 identified statutes authorizing federal MR/DD activities contained numerous titles, sections, and subsections authorizing expenditures. An MR/DD "program element" was defined as a specific activity authorized by one of these statutes--or by administrative directive--supporting the provision of services, the training of personnel, the conduct of research, payments of income maintenance, or the construction of a facility. Ultimately an activity was accepted or rejected as an MR/DD program element only after a review of federal program statistics and administrative records, and after discussions with the appropriate program officials disclosed whether or not it was substantially relevant to MR/DD interests.

In total, 82 MR/DD program elements were identified. These are presented in Table III below.

After the identification of the 82 relevant program elements, MR/DD expenditures were determined. To facilitate replication of the study, sources of MR/DD budget data, including any necessary cost-estimating techniques applied, were described in detail. The primary sources of mental retardation obligations were administrative records of agency financial management units and program offices. Congressional memoranda transmitting appropriations bills, budget justifications, records of Congressional appropriations hearings, and the annual budget of the U.S. Government were also important sources of data. Historical expenditure data between 1955-72 were obtained from Braddock (1973; 1974). Earlier data were obtained from research in Department of Health and Human Services archives.

Analysis of the record of Federal MR/DD expenditures first involved classification of the MR/DD expenditures into one of the following six categories: Services, Training of Personnel, Research and Demonstration, Income Maintenance, Construction and Information and Coordination. These major categories were further subdivided into descriptions or program areas such as educational services, rehabilitation services, and human development services. Income maintenance program elements were classified into two revenue-source categories: appropriated funds, or Federal trust fund obligations.

The data were then arrayed over time into an electronic spreadsheet using a microcomputer and spreadsheet software. The spreadsheet yielded annual totals for 1945-84 specific to each of the six major classification categories listed above, for each of the 82 MR/DD program elements, and also categorized by administering federal agency. A second spreadsheet was constructed displaying MR/DD data over time in adjusted terms using a subindex of the the Gross National Product implicit price deflator (Bureau of Economic Analysis, 1984).

The cumulative annual spreadsheet totals produced a longitudinal display of annual MR/DD expenditure growth from 1945-85. Comparison was possible from year-to-year across classification categories, and for individual program elements. It was thus possible to readily determine the intensity of general and specific federal support for mental retardation and developmental disabilities at each year; and it was possible from inspection of the two spreadsheets to know the "principal components" and the extensiveness of that growth. In most instances, it also was possible to obtain "fiscal context data" for each MR/DD program element, thus enabling

TABLE III

Federal Program Elements Supporting
MR/DD Expenditures since 1935

I. SERVICES
- A. Educational Services
  - 1. Special Education (ESEA)
    - 1.1 Title I, PL 89-313: Aid St Schools
    - 1.2 Title II, Aid St School Libraries
    - 1.3 Title VI B/94-142: State Grants
    - 1.4 Title VI B,Preschool Incentive Grants
    - 1.5 Title VI C, Sec 621: Reg Res Centers
    - 1.6 Title VI C, Sec 623: Early Childhood
    - 1.7 Title VI C, Sec 624: Severely Hand.
    - 1.8 Title VI C, Deaf-Blind Centers
    - 1.9 Title VI F, Instructional Media
  - 2. Vocational Education
    - 2.1 Voc Ed Act: PL 90-576 Hand Earmark
  - 3. Impact Aid
    - 3.1 Sec 3(a) SpEd Entitlement
    - 3.2 Sec 3(a) Indian Sp Ed
    - 3.3 Sec 3(b)
- B. Vocational Rehabilitation Services
  - 1. Title I, PL 93-112: St Grants
  - 2. Sec 13,VR Act - Facility Improve Grants
  - 3. Sec 3, Extension & Improvement Grants
- C. Public Health Services
  - 1. DHHS - Public Health Service
    - 1.1 Title XIX, SS Act: ICF/MR
    - 1.2 Title XIX-Non Institutional Medicaid
    - 1.3 TitleXVIII,SSAct,MedicarePL89-97Amend
    - 1.4 Title V,503, Matern/Child Health Serv
    - 1.5 Title V,504, Crippled Child Serv
    - 1.6 Sec 314(C&E), PHS Act: Hosp Staff Dev
    - 1.7 PL 91-695: Lead Poison Prevention
    - 1.8 PL 88-156: State Mr Planning
  - 2. Dept. of Defense - CHAMPUS
- D. Human Development Services
  - 1. Developmental Disabilities Act (HDS)
    - 1.1 Part B, PL 88-164 Amended: UAF Grants
    - 1.2 Part C, PL 88-164 Amended: St Grants
    - 1.3 Part D, PL 88-164 Amended: Staffing
    - 1.4 Sec 145, D, PL 88-164:Sp Projects
    - 1.5 Sec 113, PL 88-164 Amend: Protect/Adv
  - 2. Other HDS Administered Services
    - 2.1 Title XX, Soc Serv, SS Act Amend 1962
    - 2.2 SS Act, Child Welfare Services
    - 2.3 Eco.Opp Act of'64 Amended(Head Start)
- E. Action Agency
  - 1. Domestic Volunteer Service Act of 1973
- F. Dept of Labor
  - 1. Job Training Act of 1962 Amended

I. TRAINING OF PERSONNEL
- A. Training of Special Education
  - 1. PL 88-164 Amended: (Title VI D, EHA)
  - 2. PL 90-35, Ed. Professions Dev. Act
- B. Training of Rehabilitation Personnel
  - 1. VR Act 1954 Amended:Training
- C. Training of Health Services Personnel
  - 1. National Institutes of Health
    - 1.1 PL 87-838,Sec411(PHSActTitleIVE)NICHD
    - 1.2 PHS Act, Title IV D (NINCDS)
  - 2. Maternal & Child Health Services
    - 2.1 SS Act,Title V,Sec 511,Mothers&Child
    - 2.2 SS Act,Title V,Sec 503,MCH
    - 2.3 SS Act,Title V,Sec 504,CC
  - 3. Public Health Services Act, Sec 303

II. RESEARCH
- A. Educational Research
  - 1. Title VI Part E, ESEA-Sp Ed Research
  - 2. Title III, ESEA, Supp Centers Services
  - 3. Title IV, ESEA, Innov and Support
  - 4. Natl Defense Ed Act 1958-Media Research
  - 5. PL 83-531, Cooperative Research
- B. Rehabilitation Research & Demonstration
  - 1. VR Research - NIHR
    - 1.1 MR R&T Centers
    - 1.2 Other Research-Sec 4 (a)(2)(A)/202(a)
    - 1.3 Other Research - Sec 4 (a)(1)
    - 1.4 PL 83-480:Foreign Currency Research
  - 2. Special Demonstrations
    - 2.1 Sec311,VRAct1973-SeverelyDisableDemo.
    - 2.2 Sec621.VRAct1973-PWIIndustrialDemo.
    - 2.3 Sec316,VRAct1978-Sp.RecreationDemos.
- C. Biomedical and Health Services Research
  - 1. Nat.Inst.of Health:Biomedical Research
    - 1.1 Pl 87-838, Title IV,S 411-NICHD
    - 1.2 PL 87-838, Title IV D- NINCDS
    - 1.3 PL81-962TitleIV,1950PHSActAmend-NIAID
  - 2. Other Health Research: NIMH/MCH
    - 2.1 Mental Health Res,NIMH PHS Act S 301
    - 2.2 Sec 303, PHS Act: Hosp Imp Project
    - 2.3 Health Services Res,SS Act,Title V,SSI

IV. INCOME MAINTENANCE
- A. Appropriated Funds
  - 1. Aid to Perm. and Tot.Disabled.XIV,SSACT
  - 2. SSI,Title XVI, SS Act
  - 3. Food Stamp Aid (Ag. Dept)
  - 4. SSI,Title XVI,Sec1615,SS Act:Rehab Prg.
- B. Trust Funds
  - 1. TitleII202(a),SSAct-AdultDisabledChild
  - 2. Title II,Sec222,DisabledChildRehabPrg.

V. CONSTRUCTION
- A. PL 88-164: MR Facilities Grants
  - 1. Part A - Research Centers
  - 2. Part B - UAF Construction
  - 3. Part C - Community Facilities
- B. PL 91-517 - DD Formula Grants to States
- C. Health Facilities - Hill Burton Act
- D. Surplus Property Act of 1944,Amended-DHHS
- E. RehabilitationFacilityConstGrants(Sec12)
- F. Surplus Property Act - Dept. of Ed.
- G. Housing Loans - HUD Act, Sec 202
- H. NIRA of 1933: Grants & Loans (Total NIRA)
  - 1. NIRA of 1933 Grants
  - 2. NIRA of 1933 Loans
- I. Small Business Act as Amended

VI. INFORMATION & COORDINATION
- 1. Presidents Panel on MR
- 2. Secretary's Committee on MR
- 3. President's Committee on MR

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the determination of year-to-year relative growth or regression in MR/DD expenditures.

Two scales were used to index the annual growth or regression of federal MR/DD spending. The percentage each year of the total Federal budget which was constituted by MR/DD expenditures was one measure used to gauge this phenomenon. The second scale was Federal MR/DD spending as a share of gross national product for each year.

To enhance the instructional utility of this document as a reference tool, and to facilitate replication of the Study, an historical-descriptive analytical technique was also employed. Each of the 82 MR/DD program elements was researched in terms of its legislative, program, and funding history. A "profile" of each of the 82 program elements was prepared presenting first an historical and contemporary narrative depiction of that particular program element's central purpose and legislative history. This was followed by a detailed statistical table delineating performance features of the individual element. In the table, data were included on program element expenditures and performance data, such as MR/DD clients served, research projects funded, clinics opened, etc. (although in some cases the availability of this information was spotty). For many major program elements, such as PL 94-142, ICF/MR, Vocational Rehabilitation State Grants, and National Institutes of Health Research, computer-generated graphics were produced to assist in analysis of the tabular data. The final component of each "Program Element Profile" was a detailed statement of the source of the tabular data.

Results*

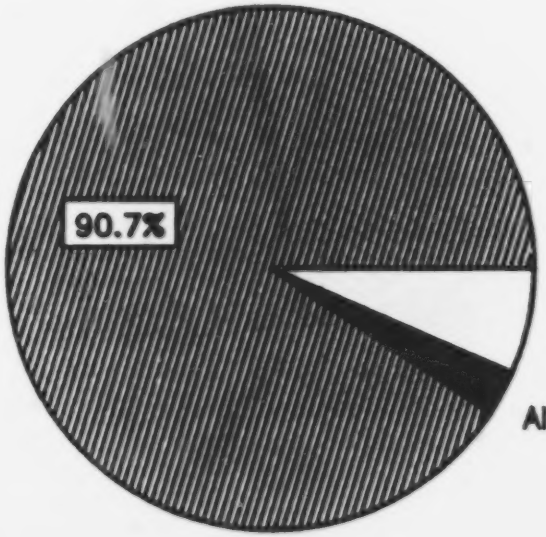
Characteristics of Federal MR/DD Spending: FY 1985

Federal MR/DD spending in 1985 was projected to reach $7.773 billion. This figure was composed of $6.499 billion in Congressionally appropriated funds and $1.274 billion in Social Security trust funds. It excluded $50.33 million in housing loans. The Departments of Health and Human Services and of Education were responsible for administering a combined total of 97% of all Federal MR/DD expenditures for 1985. Chart 9 below displays the configuration of Federal MR/DD spending by agency.

The largest Federal MR/DD program in 1985 was the ICF/MR Program, with total projected reimbursements of $2.657 billion. These funds accounted for slightly more than one-third of all Federal MR/DD spending. Another one-third was contributed by SSI ($1.533 billion) and SSDI ($1.273 billion). Six other programs expended one-fourth of total MR/DD funds budgeted in 1985. These are: Non-Institutional Medicaid ($929.5 million); Medicare ($241.7 million); PL 94-142 State Grants ($238.2 million); Social Services Block Grant ($215.3 million); Food Stamps ($183.1 million); and Rehabilitation State Grants ($134.1 million). Nine programs therefore constituted 95% of all Federal MR/DD spending in FY 1985. This is illustrated below in Chart 10.

*Unless otherwise noted, all references to year (excluding citations) refer to Fiscal Year.

Federal MR/DD Spending: FY 1985
By Agency



Dept. of HHS $7.049 Billion

Dept. of Education $.508 Billion 6.5%

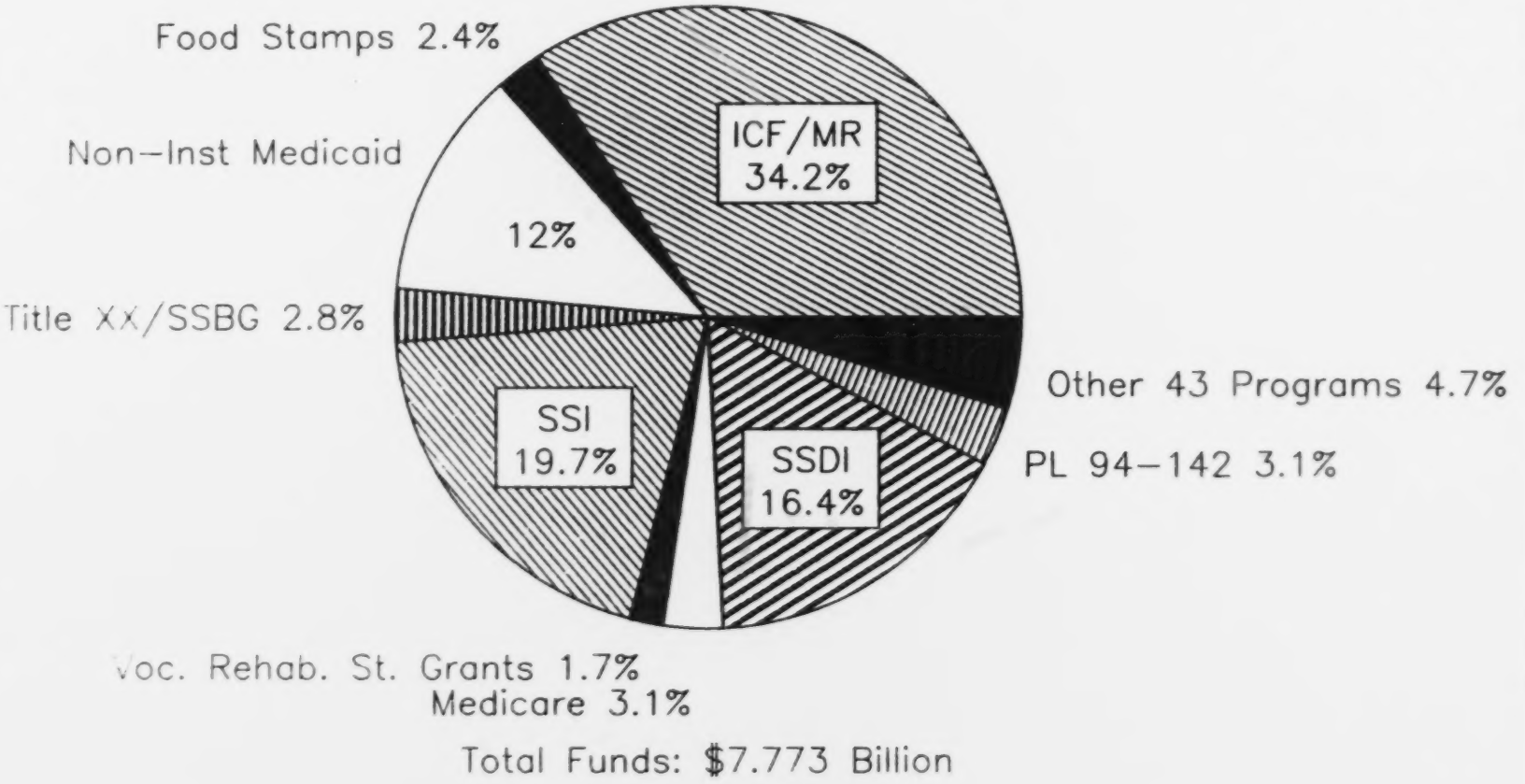
All Other Agencies $.217 Billion 2.8%

- Dept. of Agri. $.183 Billion
- Action $.031 Billion
- Dept. of Defense $.002 Billion
- Dept. of Labor $.001 Billion

Total Funds: $7.773 Billion
(Excluding HUD Loans of $.05 Billion)

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Federal MR/DD Spending: FY 1985 By Program



Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Trends in Major Activity Areas: 1935-85

Services

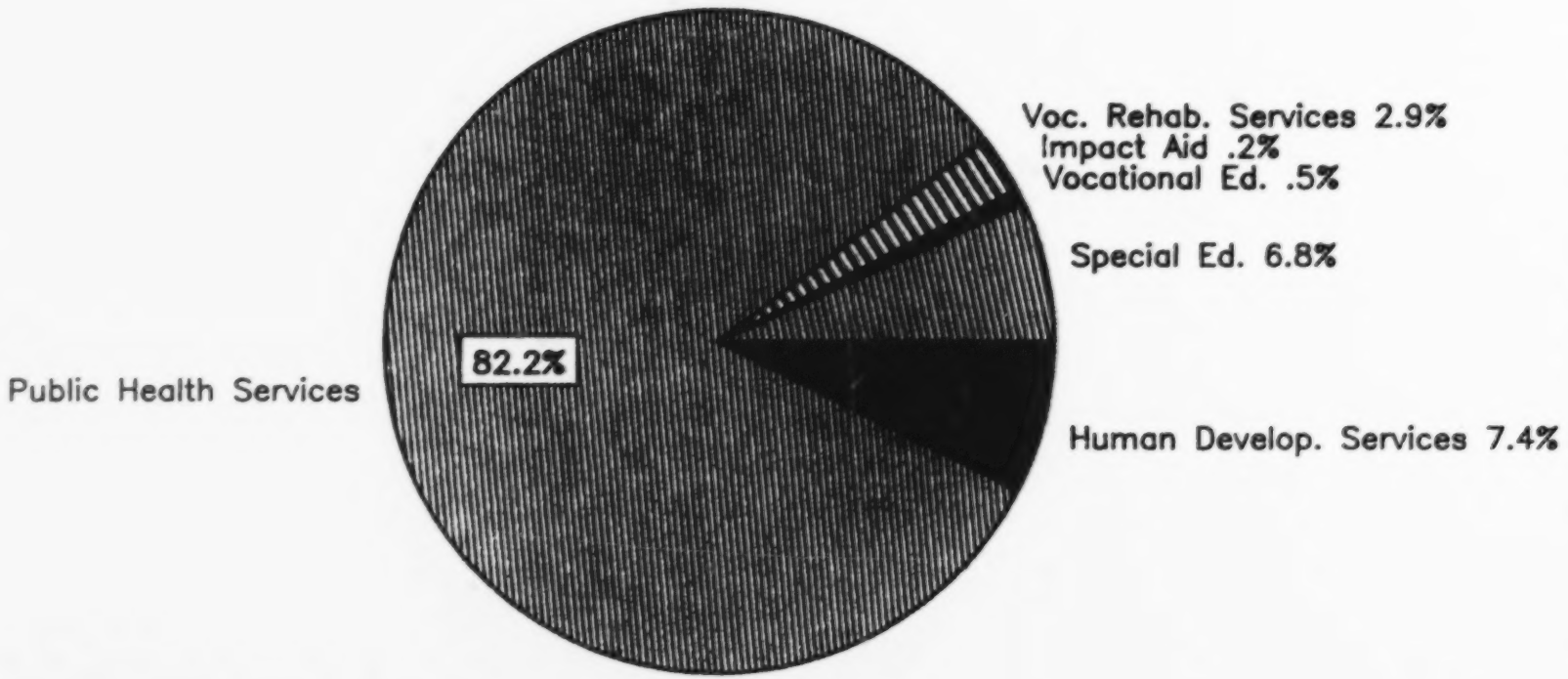
The "Services" category contains the largest number (35) of individual MR/DD program elements identified in the six classification categories employed in our analysis. The services program elements represented over one-half of all currently active elements identified in the Study. In FY 1977 federal funding for services first surpassed income maintenance payments as the highest funded MR/DD activity at the federal level. Since that date the margin of expenditure for services over income maintenance payments has widened every year. This principally has been due to the rapid growth of two large programs: the Title XIX-ICF/MR Program and PL 94-142 State Grants.

MR/DD services included the following four components: 1) Vocational Rehabilitation Services, primarily State Grants; 2) Public Health Services, which included, among other programs, ICF/MR, Non-institutional Medicaid, Medicare, and Department of Defense activities; 3) Human Development Services, which were subdivided into Developmental Disabilities Act Services, Social Services, and Volunteer Services; and 4)Educational Services, which were further subdivided into Special Education, Vocational Education, and Impact Aid. Federal funding for services in 1985 is depicted in Chart 11 below.

The growth of Federal financing for services was divisable into three historical periods for the purpose of our analysis. The Post-World War II era, 1945-61, began with the initial implementation in the states of amendments to the Rehabilitation Act authorizing eligibility for mentally handicapped clients. It embraced Congressman Fogarty's initiatives in 1955, and it concludes with the appointment of President Kennedy's Panel on Mental Retardation. The second historical period, 1962-71, commenced with the issuance of the Panel's recommendations in 1962, and it included the subsequent implementation of many of those recommendations in the laws enacted by the 88th Congress. It concluded with President Richard M. Nixon's November, 1971, White House Statement on Mental Retardation. That Statement pledged "continuing expansion" of the growing Federal commitment to mental retardation, and it stipulated major national goals in prevention and deinstitutionalization.

The third historical period, 1972-85, commenced with the January, 1972 implementation of PL 92-223. This law embodied the amendments first authorizing Federal intermediate care facility disbursements to state institutions providing "active treatment" to mentally retarded individuals. The third historical period included the subsequent expansion of federal funding for ICF/MR reimbursed services, for special education state grants, and for SSI. It included funds budgeted during the first term of President Ronald Reagan.

Federal Support for MR/DD Services by Activity Category: FY 1985



Total Services Funding: $4.685 Billion

In real economic terms, total federal funding for services has increased annually every year since 1954. In 1981, however, the rate of that growth slowed appreciably. Real growth during 1980-85 totaled 11.7%, or an average of 2.3% annually over the five years. This contrasts with an average rate of real economic growth from 1972-80 of 15.5% per year. The greatly reduced real growth rate since 1981 was primarily attributable to the diminished rate of growth in Federal ICF/MR reimbursements. Federal ICF/MR payments were projected to actually decline slightly in real economic terms between 1984-85.

Although the overall trend in Federal spending for MR/DD services moved steadily upward, from 1972-85, this global trend concealed quite diverse funding patterns for individual programs. The following programs, for example, experienced cuts between 1980-85 in real economic terms: PL 94-142 State Grants (-26%), PL 94-142 Preschool Incentive Grants (-39%), Vocational Education State Grants (-17%), Impact Aid to Special Education (-17%), Vocational Rehabilitation State Grants (-.3%), UAF Grants (-9%), Developmental Disabilities Grants (-18%), DD Special Projects (-60%), Social Services Block Grant (-37%), and Action Volunteer Services (-15%).

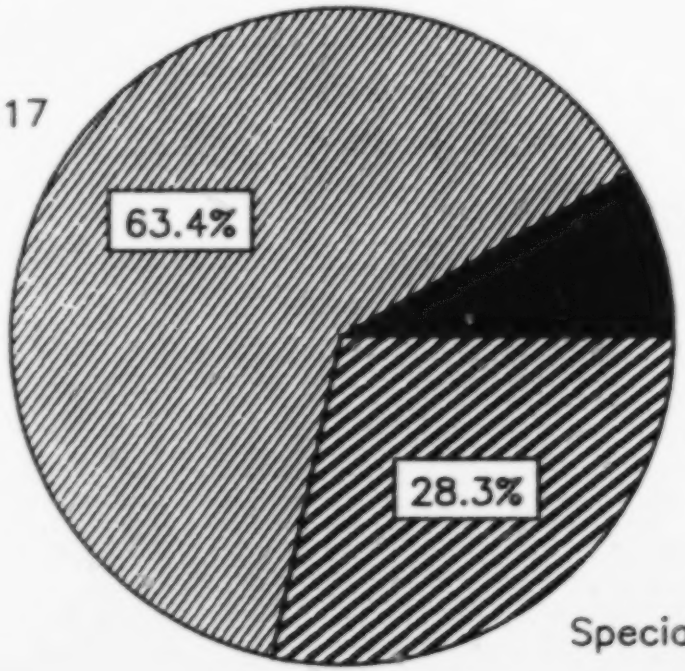
Training of Personnel

The Federal Government has been involved in the training of specialists in mental retardation for more than three decades. The mission is divisible into three general categories of activity: 1) Training of special educators; 2) Training of rehabilitation personnel; and 3) Training of biomedical and health services personnel. The third category includes training sponsored by the National Institutes of Health and by Maternal and Child Health Services in the Department of Health and Human Services. Special Education and Vocational Rehabilitation training is administered by the Office of Special Education and Rehabilitative Services in the U.S. Department of Education. Chart 12 below illustrates the 1985 funding configuration for MR/DD training sponsored by the Federal Government.

Federal support for the training of personnel in mental retardation began in 1954, with the initial expenditure of funds for the training of neurological specialists at the National Institute of Neurological Diseases and Blindness (NINDB). A Congressional Subcommittee identified the training of personnel as a major need in 1955 budget hearings. Soon thereafter, training budgets at NINDB and the Office of Education grew rapidly. In 1956, the Office of Vocational Rehabilitation began supporting workshops and seminars on the rehabilitation of mentally retarded persons. In 1958, Congress enacted PL 85-926. This legislation, introduced by Representative George McGovern, authorized a training program for teachers of mentally retarded children. It was the forerunner of the modern Special Education Personnel Preparation Program in the U.S. Department of Education.

CHART 12

Federal Spending for MR/DD Training Activities in 1985
(Dollars in Millions)



Total Training Spending: $31.81 Million

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD U of IL at Chicago, 1984

After the 1962 issuance of the recommendations of the President's Panel on Mental Retardation, training activities expanded substantially in scope and depth. President Kennedy signed legislation creating the National Institute of Child Health and Human Development (NICHD) in 1962. In 1963, PL 88-164 extended and expanded the teacher training component established under PL 85-926. The National Institute of Mental Health also implemented the Hospital In-service Training Program (HIST). The HIST Program operated for 13 years between 1964-77. In 1973, it reached 111 state mental retardation institutions with grants averaging $25,000.

The health services training mission was strengthened in 1967, with the budgeting of "Section 511" training funds designed to improve the competencies of various health services personnel working with mothers and children. UAFs have been the principal recipients of these monies, receiving between $13 million-$27 million every year since 1972.

The general unadjusted trend in Federal MR/DD training funding moves strongly upward between 1954-72. Overall training support is flat from 1973-80. During 1981-83, however, support fell 21%, primarily due to substantial cutbacks in Section 511 funding. Appropriation levels for training in FY 1985 rebounded to a projected level 8% above the 1983 figure. In real economic terms, training funds advanced consistently upward every year 1954-72, except in 1969. After 1972, training expenditures fell rapidly. Total training funding for 1985 is only one-third of the real funding level in 1973. The FY 1984-85 figures represented the smallest spending commitment for training in 22 years.

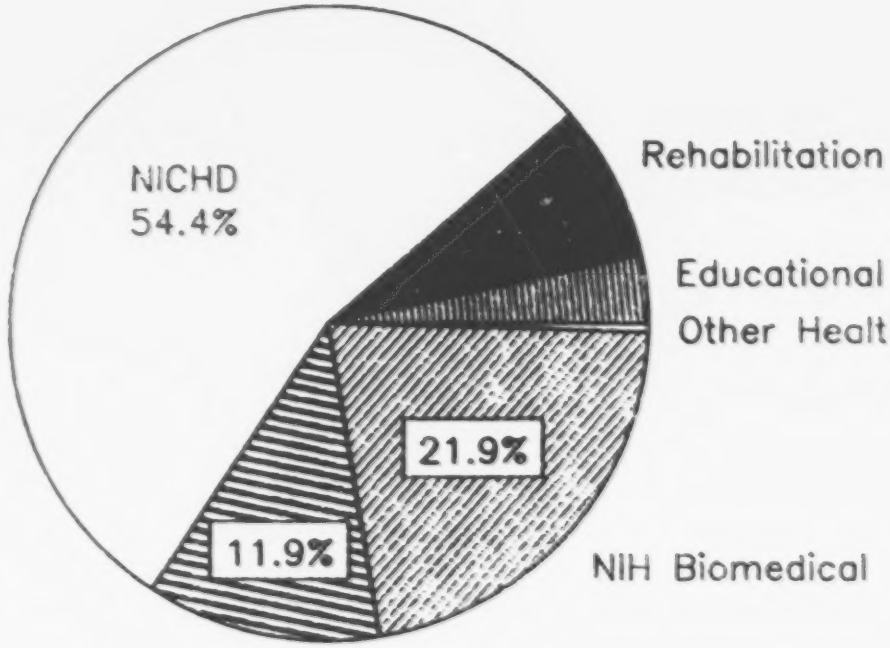
The decline of Training support since 1980 has been particularly pronounced on a program-by-program basis. In real economic terms, cuts have been implemented in the following Training programs over the 1980-85 period: Special Education (-20%), Rehabilitation (-47%), NICHD (-25%), NINCDS (-62%) and MCH (-53%).

Research and Demonstration

FY 1985 Research Expenditures

As with funding for personnel training, the Federal Government has been financing mental retardation research for more than thirty years. Also, as with personnel training, Federal research activity is divisible into three general categories of activity: 1) Vocational Rehabilitation Research; 2) Biomedical and Health Services Research; and 3) Educational Research. Chart 13 below depicts anticipated Federal expenditures for research on mental retardation and developmental disabilities in FY 1985. The data were based on enacted 1985 appropriations.

Federal Spending for MR/DD Research: FY 1985 (in Millions)



Total 1985 MR/DD Research Funds: $64.56 Million

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Analysis of Trends

In a general sense, Federal Government research on mental retardation began with the Census Bureau's efforts in the 1840 decennial census to enumerate the number of retarded persons living in the United States. After the turn of the Century, the Children's Bureau, created by statute in 1912 as a component of the U.S. Department of Labor, financed the first three non-census demographic studies. "Mental Defectives in the District of Columbia" (1915); "A Social Study of Mental Defectives in New Castle County, Delaware" (Lundberg, 1917); and "Mental Defect in a Rural County" (Treadway and Lundberg, 1919) were the new Bureau's 13th, 24th, and 48th publications, respectively. In 1923, the Bureau published a study of the employment history of minors who had been pupils in special classes (Children's Bureau, 1964).

In the decades that followed, the Bureau conducted occasional sociological and demographic studies. At the same time, the U.S. Office of Education, under the leadership of Else Martens and Romaine Mackie, published several national surveys between 1920 and 1965 on services provided to exceptional children in the public schools (Mackie, 1969). Boggs (1971) noted that these surveys helped document the regression in public services to retarded people brought on by the Great Depression and World War II.

Biomedical research on mental retardation received its first major impetus in 1950, with the formation of the National Association for Retarded Citizens (Boggs, 1971). The first ARC constitution stipulated research on prevention and amelioration of mental retardation as an important national priority. A scientific advisory board was appointed to address these issues, the result of which was a recommendation that a comprehensive study be completed on the status of biomedical research on mental retardation. Such a study, led by Richard Masland, was initiated in 1954 with foundation, and later NINDB, assistance. Also during the early 1950s, the Federal Government began supporting the country's first demonstration projects aimed at providing rehabilitation services to mentally retarded clients. The Vocational Rehabilitation Act amendments of 1954 then provided an effective legislative vehicle through Section 4(a)(1) to expand these demonstrations to many parts of the country.

It was the February, 1955, Fogarty Subcommittee Hearings on FY 1956 appropriations for the Department of Health, Education, and Welfare, however, that provided the first major public stimulus for increased research funding. The Subcommittee added $500 thousand and $250 thousand to the budget requests of the NINDB and NIMH, respectively, to be exclusively devoted to mental retardation research. The Office of Education, which had been instructed in 1955 to return to the budget hearings one year later with a proposed mental retardation program plan, initiated educational studies in mental retardation under the auspices of the Cooperative Research Act in FY 1960.

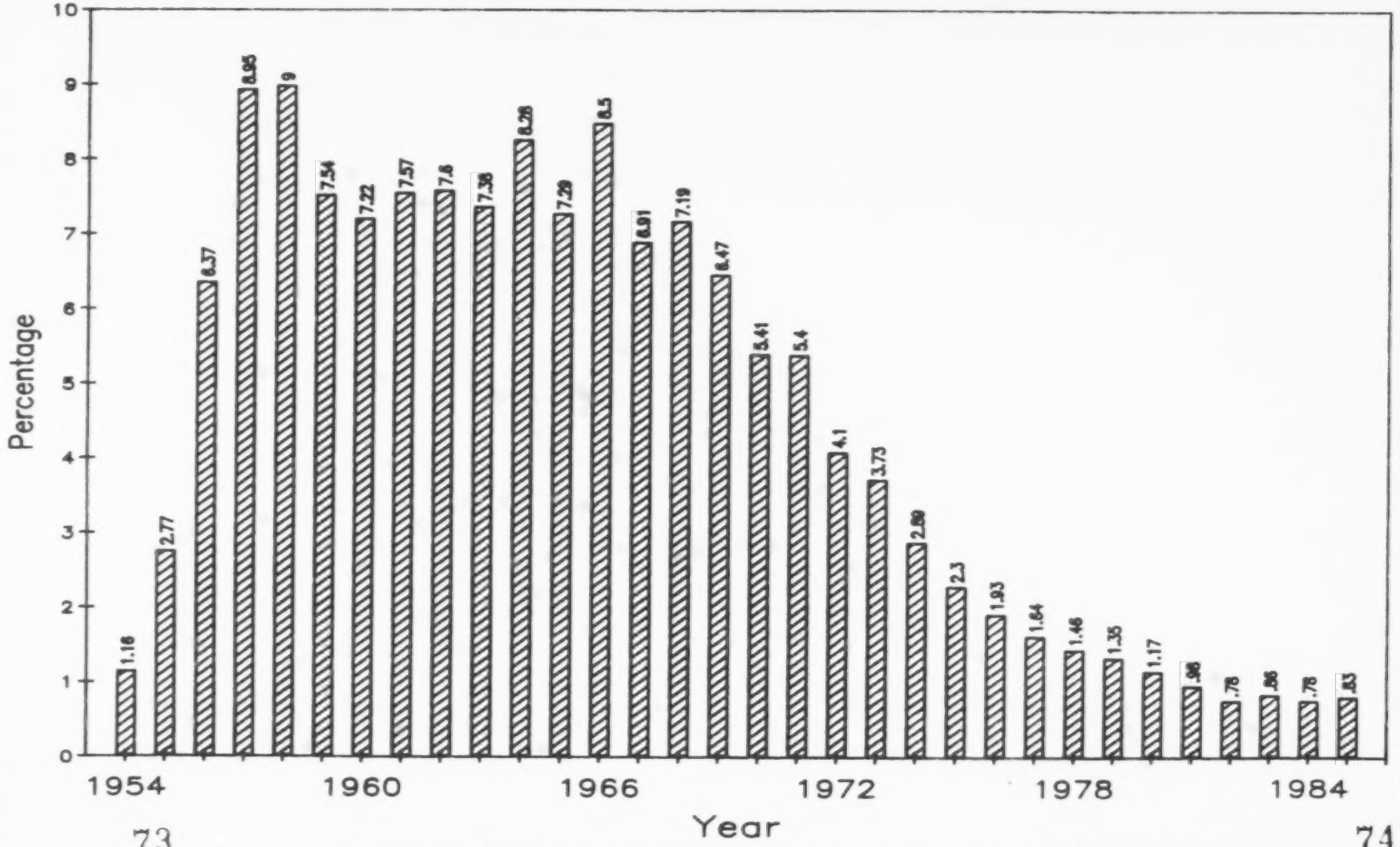
In the early years, mental retardation research support increased every year at the Federal level. Funds budgeted advanced from $1.4 million in 1956 to $47.1 million in 1971. After 1971, however, research was no longer the budget priority it had been. Cuts in overall Federal mental retardation research funding were sustained in 1972, 1973, 1975, 1976, 1981, 1982, and 1984. The rate of budget growth also slowed considerably. Whereas the unadjusted growth of MR/DD research support had averaged 20% annually between 1963-72, growth averaged only 1.1% per year for the 1973-82 period. In 1984, MR/DD research spending fell fractionally to $57.8 million. The 1985 spending figure was projected to be $64.6 million, an increase of 12% over the previous year's level. The increase is primarily attributable to a rise in funding for the National Institutes of Child Health and Human Development; Neurological and Communicative Disorders and Stroke; and Allergy and Infectious Diseases.

Adjusting research funding trends for the impact of inflation revealed rapid growth from 1954-71, although the rate of that positive growth slowed to 6% per annum during the 1966-69 period. There was a 37% real-dollar expansion in research funding between 1965-66 with the establishment and funding of the NICHD, the Rehabilitation Research and Training Centers, and the special education research authority authorized under Title III of PL 88-164. Funding regressed, however, for every year between 1971-82 except for a small increase in 1977. The average rate of decline was 7% annually over this 12-year span. The total drop in research spending was 56%. After the steep declines in 1981 (11.5%) and 1982 (20.1%), real research spending increased in 1983 by 13% over the 1982 figure and after another slight decline in 1984, it was projected to increase again in 1985 by 5% over the 1984 figure. However, over the entire 1980-85 period, many research programs were cut back dramatically. Retrenchment extended to Special Education (70% decline in real economic terms since 1976), NICHD (-13%), NINCDS (-36%).

Spending for mental retardation and developmental disabilities research, as a percentage of total Federal expenditures for mental retardation, has declined over the years. In the field's developing years, MR/DD research comprised a very large part of the Federal mission. From 1954-72, in fact, the percentage ranged between 9% and 4.5% of total Federal Government MR/DD expenditures. Since 1972, and the ensuing period of explosive growth in Federal services and income maintenance expenditures, the MR/DD research share has plunged from 4% to under one percent of total MR/DD expenditures. As the Federal Government has expended more and more funds on MR/DD activities, it has expended proportionately less and less resources on research and development activities relevant to that mission. This is illustrated in Chart 14 below.

CHART 14

Annual MR/DD Research Expenditures as a Percentage of Total Federal MR/DD Expenditures: FY 1954–1985



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Income Maintenance

The history of income maintenance legislation, as it pertains to disabled persons in the United States, has four important legislative benchmarks. These include: 1) the enactment of the Social Security Act of 1935, with its provisions for Aged Persons, Dependent Children, and Blind Persons contained in Titles I, IV and X respectively; 2) the authorization in 1950 of the Title XIV program of Aid to the Permanently and Totally Disabled (APTD); 3) the passage of the Social Security Amendments of 1956, establishing Adult Disabled Child (ADC) beneficiaries through the Disability Insurance Trust Fund; and 4) the establishment of the Supplemental Security Income Program (SSI), which extended benefits to children through the Social Security Amendments of 1972, and federalized the administration of public assistance programs. On a less grand but still important scale, Congress amended the Food Stamp legislation in 1979 authorizing stamps for residents of community living facilities. The composition of FY 1985 Federal income maintenance to retarded persons is depicted below in Chart 15.

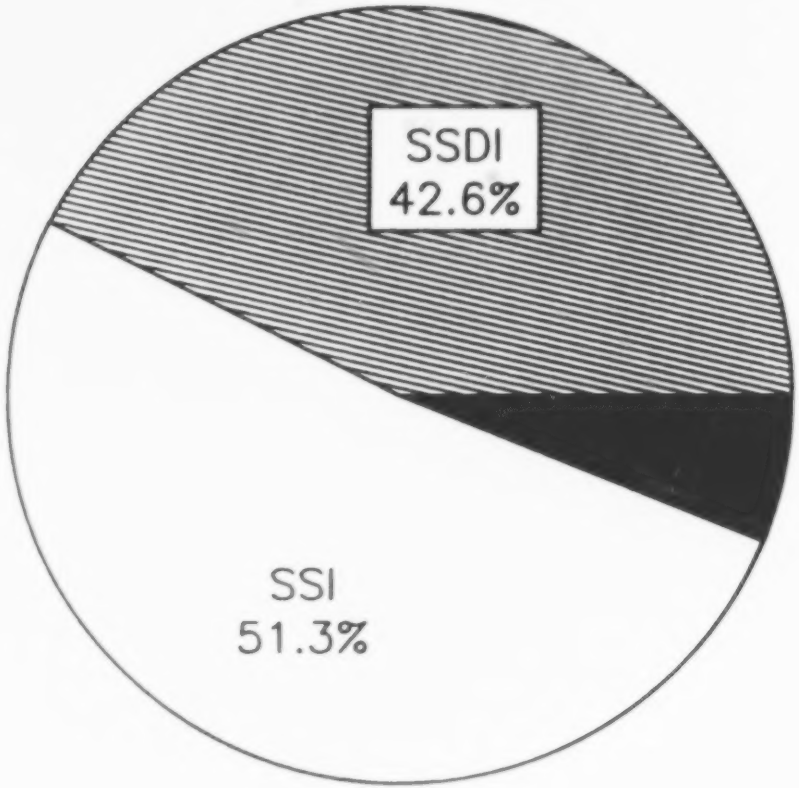
An additional $.444 million and $.978 million in 1985 were projected to be expended from SSI and SSDI revenues respectively, for rehabilitation services authorized under Title XVI (Section 1615) and Title II (Section 222) of the Social Security Act. In 1982, both programs were cut back by 97% through implementation of provisions in the Omnibus Budget Reconciliation Act (OBRA).

Federal income maintenance spending was the principal fiscal component of the Federal mission in mental retardation for the 27-year period between 1950-76. Funds allocated for this purpose rose from $2.5 million to $1.1 billion during the period. Prior to 1950, there were no Federal income maintenance programs for non-blind disabled persons. In 1977, Federal expenditures for MR/DD services first surpassed the volume of funds budgeted for income maintenance payments. In 1985, projected total income maintenance payments was $3.0 billion, tripling in unadjusted terms over the past ten years.

In real economic terms, <u>total</u> federal income maintenance spending for mentally retarded individuals has rose every year (except 1973) from 1950-1981. The average annual real growth rate was 34% in the 1950's, 13% in the 1960's, and 11% in the 1970's. From 1980-85, the growth rate slowed considerably to an average rate of 2.4% per year. In real economic terms, there was a slight decline (1.9%) in 1982, and again in 1985, payments were projected to be 1% less than in 1984.

CHART 15

Federal Income Maintenance Spending to MR/DD Persons: FY 1985



Total Spending: $2.99 Billion

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

Construction Activities

The Federal Government's involvement in the construction of facilities for mentally disabled persons began in 1933 with the passage of the National Industrial Recovery Act. Enacted during the depths of the Great Depression, the law authorized grants and loans for the construction of public buildings. State mental institutions may have received as much as $160 million in assistance during the 1935-40 period. After the Second World War, the Federal Government undertook a systematic program of Surplus Property Disposal, initially authorized by law in 1944. Many schools for retarded persons and in several cases even entire state institutions were converted from previous use as military installations or hospitals. The cumulative market value of property transfers to mental retardation use exceeded $25 million in 1985 (Short & Stanley-Brown, 1939).

The modern era of Federal health care construction grants began with the Hospital Survey and Construction Act, also known as the Hill-Burton Program. Mental retardation facilities began receiving Hill-Burton assistance in 1958, and $32 million in Federal construction grants was deployed to state institutions and non profit community facilities between 1958-71.

In 1963, Congress enacted the Mental Retardation Facilities and Community Mental Health Centers Act, PL 88-164. Title I of the Act was the first Federal construction legislation dedicated exclusively to the construction of mental health facilities. Implementation brought about the obligation of $155.8 million in Federal funds over the next decade for Mental Retardation Research Centers ($27 million), University-Affiliated Facilities ($38.6 million), and Community Facilities ($90.2 million). An additional $5.1 million in construction funding was expended during 1972-76 under provisions of the Developmental Disabilities Services and Facilities Construction Act of 1970.

More recently, the 1978 Housing Amendments, PL 95-557, stipulated that a minimum of $50 million in HUD Section 202 construction loans be earmarked annually for non-elderly handicapped persons. Loan commitments have far exceeded the earmark, reaching $96 million in 1984. Developmentally disabled persons have participated extensively in the Program, which is coordinated with the HUD Section Eight Rental Assistance Program. However, in real economic terms, HUD loans for MR/DD projects declined by 12% between 1981-85. The Small Business Administration has also been administering a loan program, since 1974, in which MR/DD projects are an active component. An unknown but significant portion of the SBA loans are deployed for construction purposes.

The historical trend in construction funding, which peaked in the 1965-70 period, differs markedly from the rapid escalation in total funding characterizing the Federal mission in the provision of services. In fact, exclusive of Medicaid ICF/MR reimbursements for capital costs in public and private mental retardation facilities, the Federal Government currently makes no specific grants for mental retardation construction. It has not done so since 1976, the year funds under the DD Act could no longer be used for construction purposes.

Federal MRDD construction grant funding declined rapidly after its 1967 peak of $47.3 million. As noted, this excludes, Federal construction-related reimbursements under the $2.66 billion Federal ICF/MR Program. A national estimate is not available on the ICF/MR cost component attributable to Federal ICF/MR reimbursements for construction amortization. However, a figure of $100 million annually during 1980-85, only 3.8% of total projected 1985 ICF/MR reimbursements, is probably rather conservative, in view of the extensive renovation and construction activities going on in state institutions, and the fact that private ICF/MR providers are also reimbursed for amortization of capital. Gettings and Mitchell (1980), for example, identified cumulative state-federal mental retardation construction spending of nearly $1 billion between 1977-79, much of which they attributed to ICF/MR-related activity.

The Surplus Property Disposal Program assigns a specific market value to transferred property. These figures were used to reflect annual "spending" under the Program. The annual value of transfers peaked in 1966 and 1967 at $6 million. Since 1975, the value has not risen above $1 million per annum.

Information and Coordination

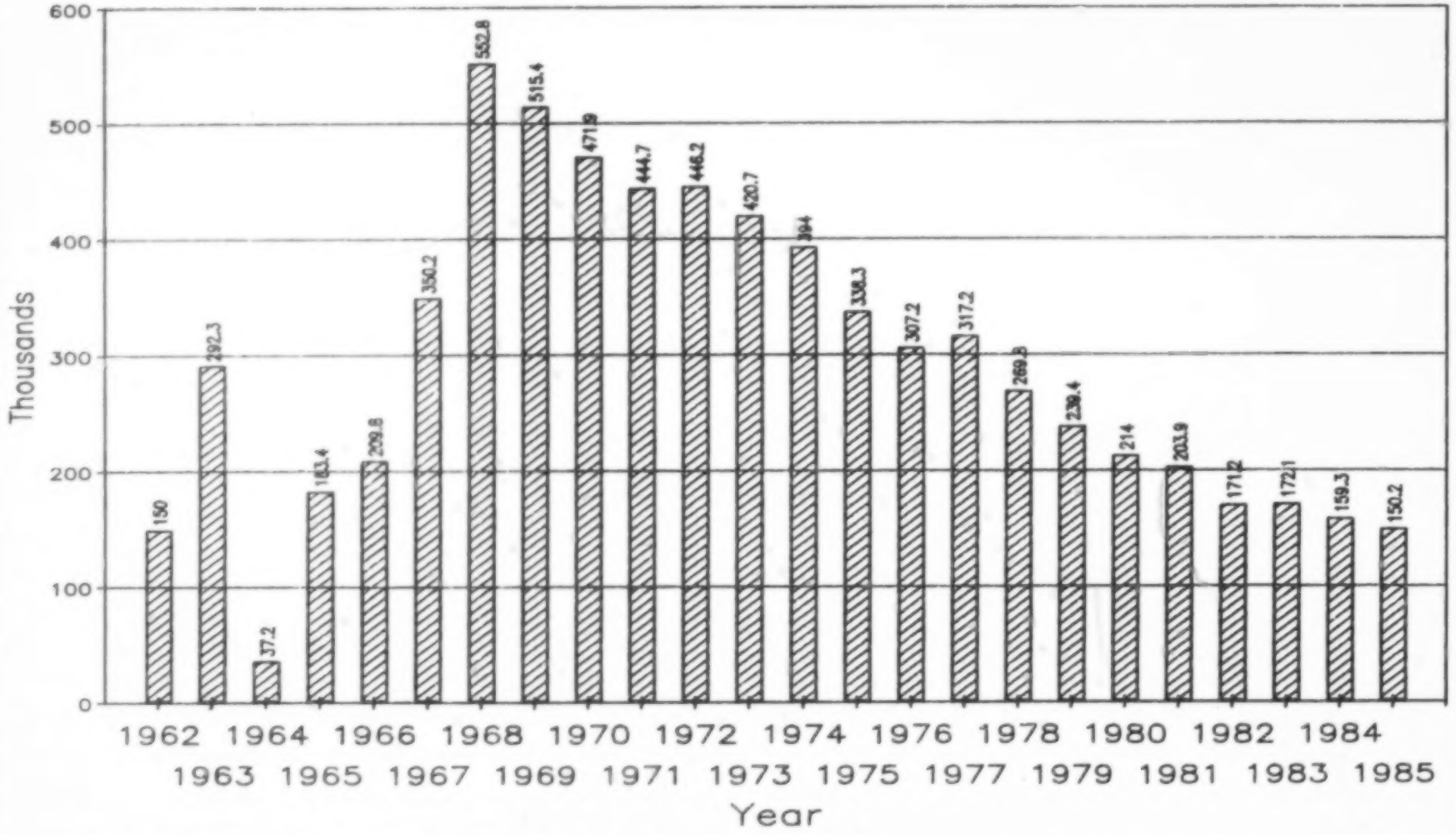
Three program elements comprise the Information/Coordination classification category: The Secretary's Committee on Mental Retardation (SCMR); the President's Panel on Mental Retardation; and the President's Committee on Mental Retardation (PCMR). PCMR currently receives funding through the DHHS Office of Human Development Services. The President's Panel was supported for two years only, from $150 thousand budgeted annually in 1962-63 by the National Institutes of Health. The Secretary's Committee and its successor, the Office of Mental Retardation Coordination, were in continuous operation between 1963-74. SCMR funding averaged $130 thousand annually. The range was $39 thousand to $238 thousand. Support for the SCMR in real economic terms began dropping in 1969 and steadily declined every year thereafter until funding terminated in 1974.

Support for the PCMR was initiated in 1967. In unadjusted terms, funds obligated by the Committee increased annually every year for the next decade except in 1976, rising from $316 thousand in 1967 to $768 thousand in 1977. On an adjusted basis, however, PCMR funding actually fell almost every year from 1968-85, and the total drop in funding over this 17-year period was 67%--an average annual decline of 6%. Since 1980, PCMR's resources in real economic terms have dwindled by a total of 30% (Chart 16).

It is noteworthy that as the Federal MR/DD mission has grown vastly in scope and complexity since the 1960s, less funds have been expended for the support of information and coordinative mechanisms geared specifically toward this target population (Chart 16). While there are a few such mechanisms dealing with concerns of handicapped children and disabled persons in general, such as the Office of Information and Resources for the Handicapped, structures solely concerned with MR/DD issues and information were diffused or, in the case of PCMR, slowly drained of resources over the years.

Federal Expenditures for MR/DD Information & Coordination Activities: FY 1962–85

In 1962 Dollars



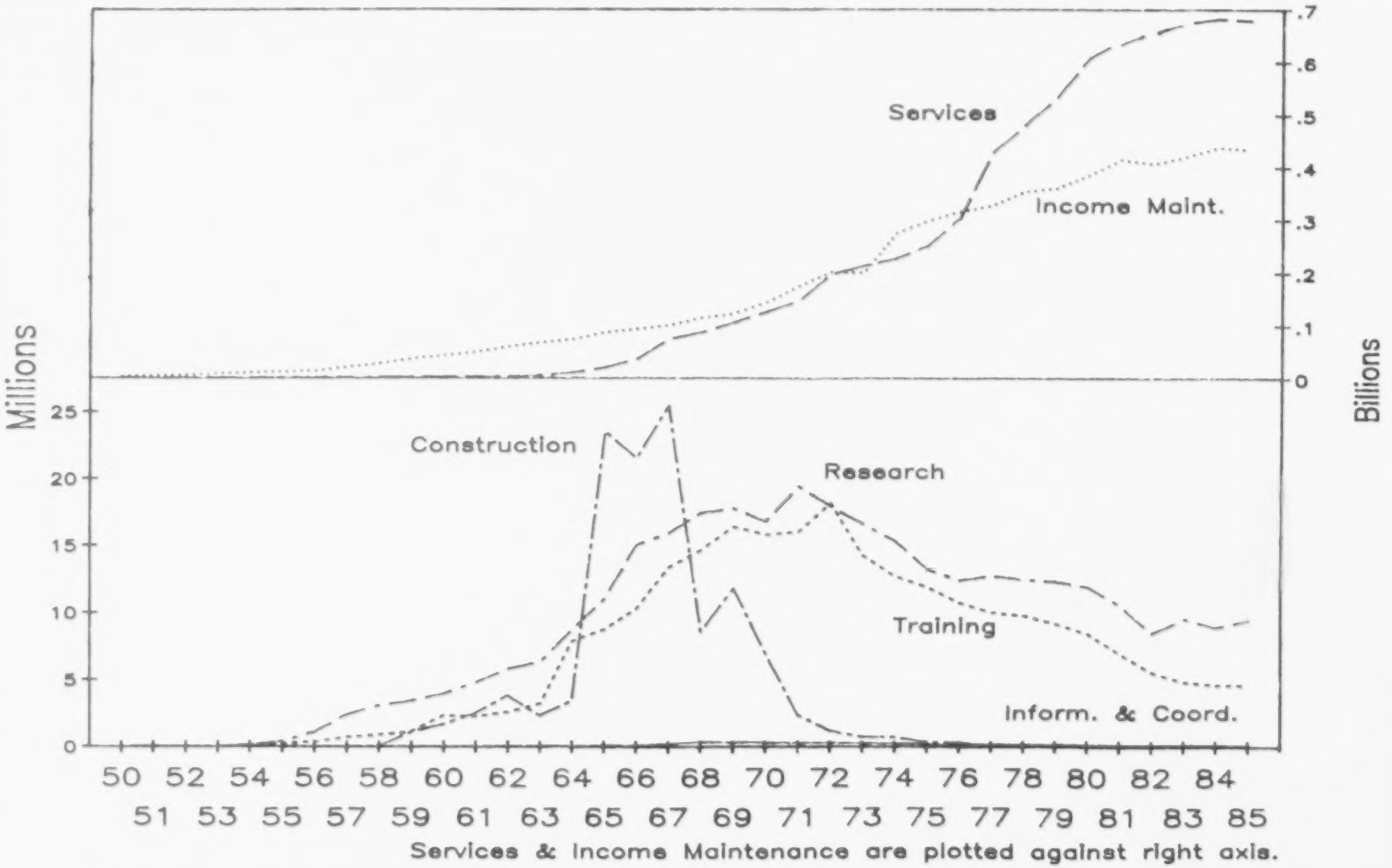
Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

The recently enacted Developmental Disabilities Amendments of 1984, however, require the DHHS Secretary to establish an "interagency committee to coordinate and plan activities conducted by Federal Departments and agencies for persons with developmental disabilities" (Title I, Part A, Section 108 (b)). The new committee is required to meet "regularly." Membership must include representation of the Administration for Developmental Disabilities (ADD), the Office of Special Education and Rehabilitative Services, the Department of Labor, and "such other Federal Departments and agencies as the Secretary of Health and Human Services and the Secretary of Education consider appropriate." The new committee has not been given responsibilities for the dissemination of information, or for any interface with the general public. Funds to support the committee's activities are presumably to be derived from ADD's salaries and expenses budget and from similar resources in the budgets of the participating agencies.

Illustration of Trends in Federal Expenditures: 1950-85

Chart 17 below illustrates annual trends in Federal spending for 1950-85 for Services, Training, Research, Income Maintenance, Construction, and Information-Coordination activities. Data are presented in real economic terms. Note that the Chart below has two scales--the top one to reflect the relatively large sums expended for income maintenance and services; the bottom to show funds allocated for the less costly Federal missions in Training, Research, Construction, and Information-Coordination.

Federal MR/DD Spending By Category of Activity: FY 1950–85, *In 1950 Dollars*



Services & Income Maintenance are plotted against right axis.

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

Comparative Analysis of Federal MR/DD Spending[1]

MR/DD as a Federal Budget Priority

In the competitive struggle for Federal resources, the financial support of MR/DD activities has consistently grown at rates in excess of the annual rate of growth in the overall budget of the Federal Government. The percentage of the Federal Government's total annual budget devoted to financing MR/DD activities advanced every year from FY 1950-81. The rate of that advance was quite rapid through FY 1967, averaging 30% per year during FY 1950-56; and 22% from FY 1956-67. In FY 1968, however, and again in FY 1973 and FY 1975, the MR/DD share of total Federal spending exhibited essentially no increase over the previous year's figure. Other than these three momentary plateaus, growth exhibited strong upward momentum, more than tripling between 1968-81 as a percentage of total Federal spending.

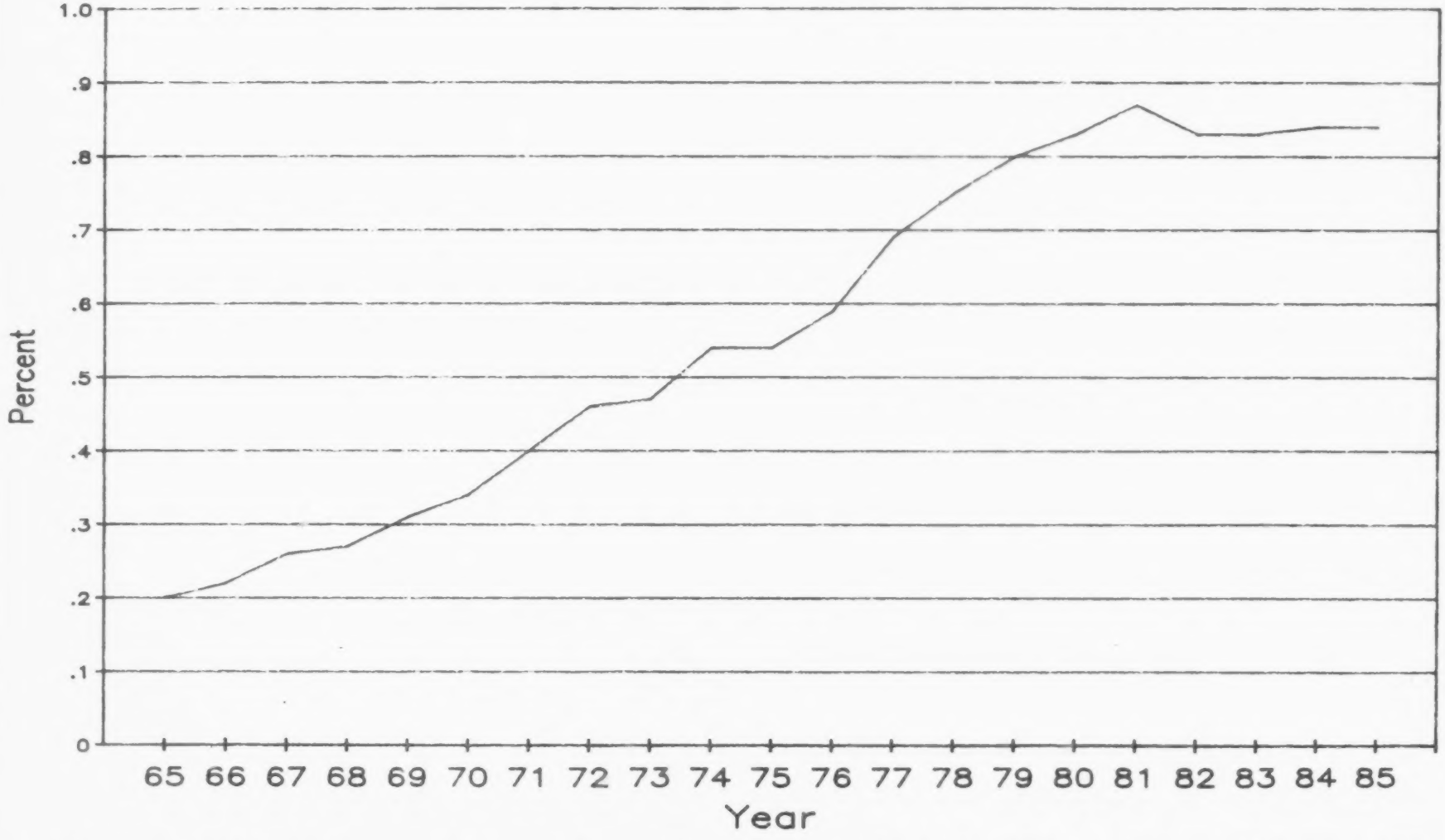
In FY 1982, however, the MR/DD share dropped for the first time, falling to .82% of total Federal disbursements. It essentially remained at that level in 1983, advancing marginally to .84% in 1984. The 1985 figure is projected to fall back to the 1983 level. MR/DD spending data for 1985, however, were based on projections in several large programs, including ICF/MR reimbursements and Social Security Disability Insurance benefits. Actual spending in these programs will probably vary somewhat from the projections, so the predicted 1985 fall in the MR/DD share of total Federal spending may not actually materialize. Chart 18 below illustrates MR/DD spending relative to the total Federal budget.

Although MR/DD spending was essentially flat during FY 1981-85 as a percentage of total federal expenditures, within the domestic budgetary sector it continued to increase--from 1.0739% in FY 81 to 1.1405% in FY 85. In contrast, over-all domestic spending actually fell 2.9% from 1981-85 in real economic terms. Adjusted MR/DD spending grew 4.7% over the four years. This is illustrated below in Chart 19.

[1]The source of Federal budget data and gross national product figures in this section was the Advisory Commission on Intergovernmental Relations and the U.S. Bureau of Economic Analysis, respectively. Federal Budget data for FY 1985 were obtained from the Congressional Budget Office and were based on enacted FY 1985 appropriations.

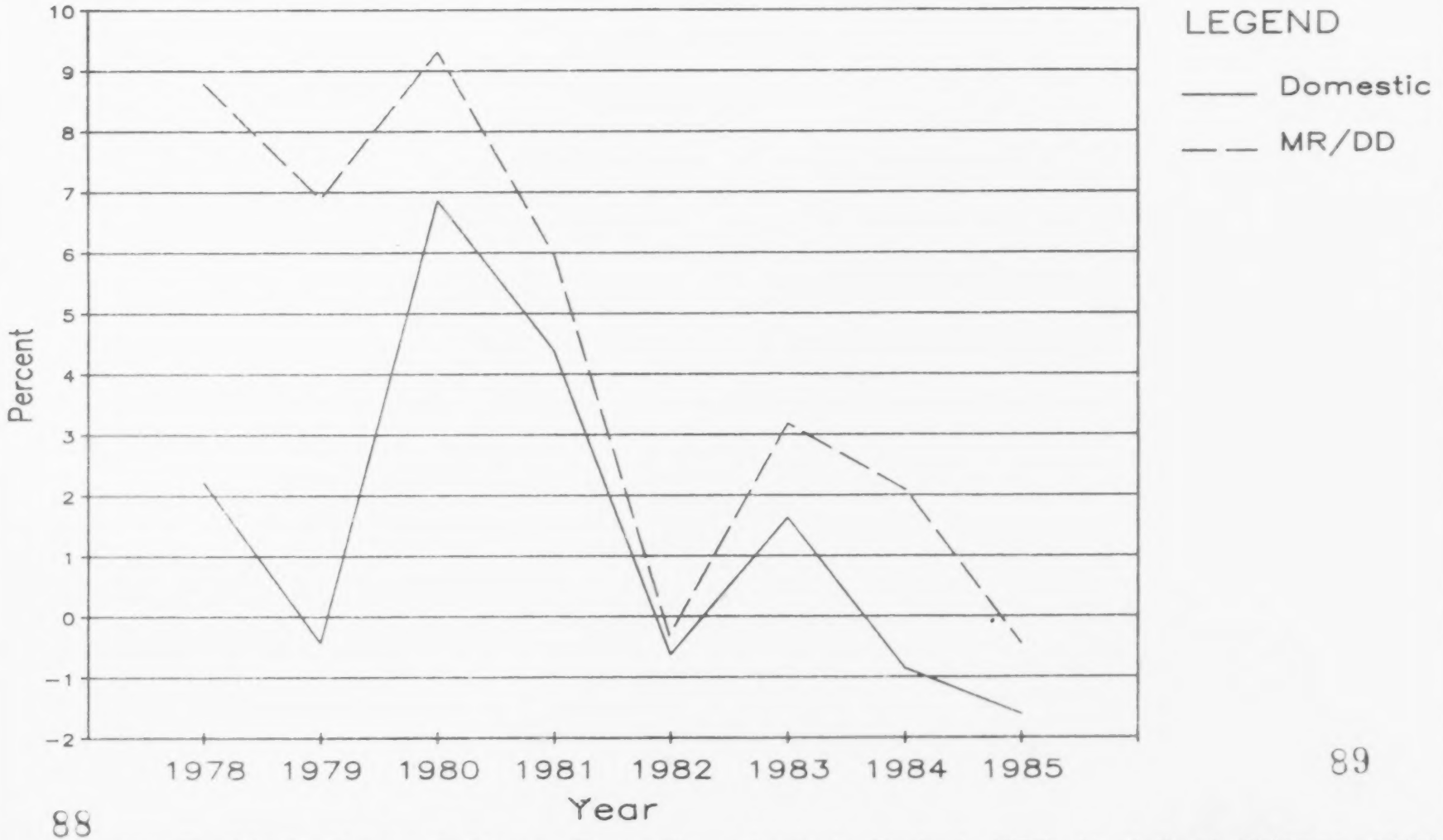
Percentage of the Total Federal Budget Expended for MR/DD Activities: FY 1965–85

(Expressed in Tenths of a Percent)



Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Annual Rates of Real Economic Growth in Federal Domestic & MR/DD Spending: FY 1978–85



88

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Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Growth of the MR/DD Share of the Gross National Product

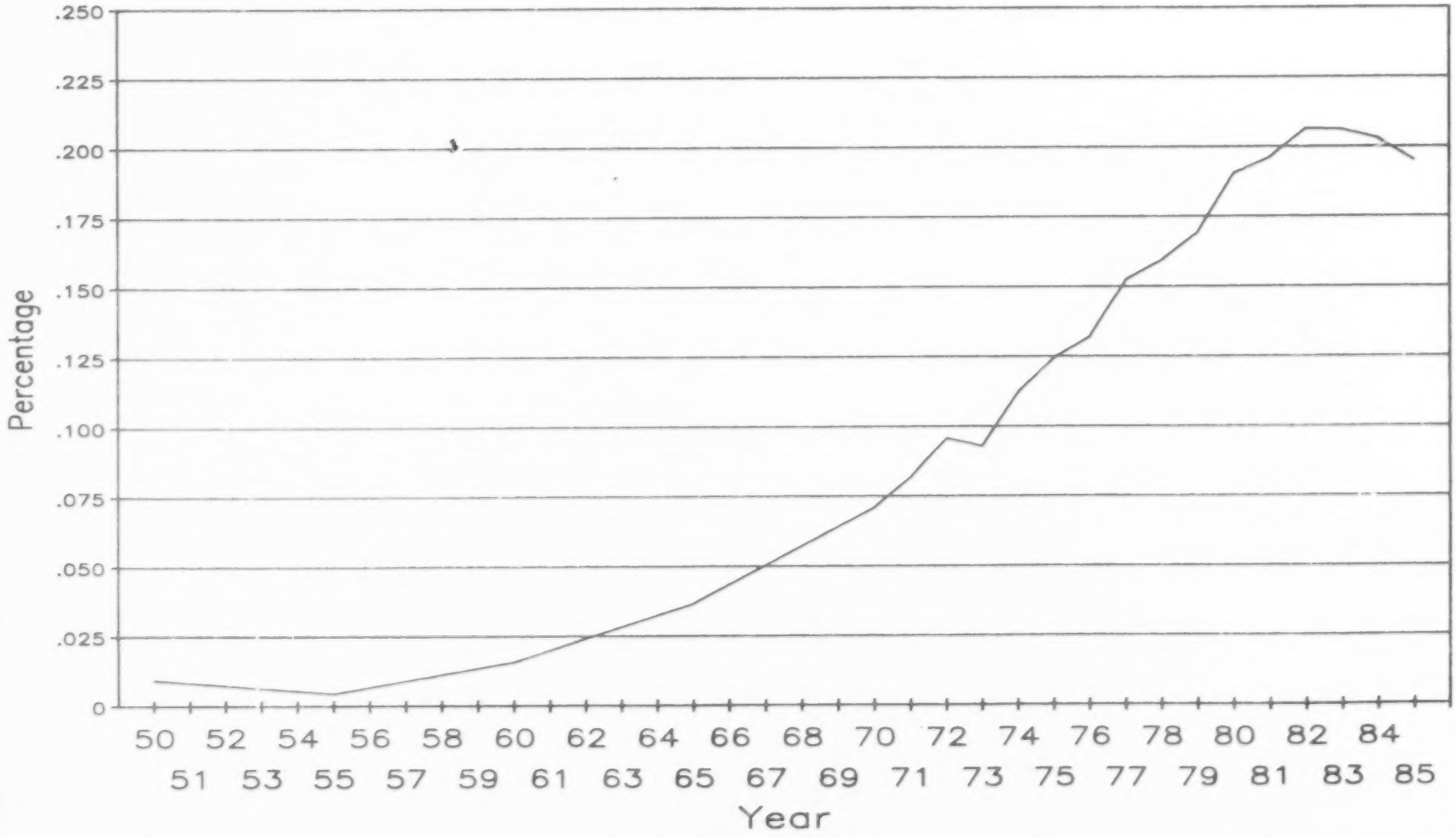
Gross National Product (GNP) is a quantitative measure of the nation's total economic output of goods and services in a given year. The annual percentage of GNP devoted to Federal MR/DD spending reflects the share of U.S. economic activity represented by Federal disbursements for MR/DD goods and services. "Services" in this sense is broadly used to refer to the Federal MR/DD mission in Research, Training, Construction, and Income Maintenance--as well as in traditional human services programs.

As a percentage of GNP, MR/DD expenditures advance from .004% in FY 1955, to .016% of GNP in 1960, an average annual gain of 30%. Between FY 1960-65, the average rate of growth in the MR/DD share of GNP slowed 19% per annum and the growth rate during 1965-70 dropped further to 15% per year. In FY 1973, on the eve of recession, it declined for the first time over the previous year's figure since the early 1950s. It fell 2%--to .093% of GNP.

MR/DD spending as a share of GNP then resumed its consistent upward trend in FY 1974. From FY 1974-81, the pace of growth averaged nearly 10% per year. In 1982, however, the MR/DD share reached a record peak at .21% of GNP. Then, it declined an unprecedented two years in succession in 1983-84, and was projected to decline in 1985. During the 1982-84 period, adjusted MR/DD expenditures were essentially flat, while in contrast, the nation's total economic output, as measured by GNP, rose by a factor of 8.0%. In the course of its strong recovery from the 1981-82 recession, the U.S. economy had expanded faster than Federal MR/DD expenditures had grown. Chart 20 below illustrates this recent and unique trend, and also the long-term trend of rapid growth in the MR/DD share of GNP that preceded it.

CHART 20

Federal MR/DD Expenditures as a Percentage of the Gross National Product: FY 1950–85



Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

CHAPTER 4:
INTERGOVERNMENTAL EXPENDITURES IN THE UNITED STATES

State-Federal MR/DD Expenditures in the U.S.

The major purpose of this investigation was to identify funds expended by state and federal governments for mental retardation and developmental disabilities activities in the United States. This can now be accomplished by consolidating unduplicated expenditures from the MR/DD State Government Study with those of the Federal Analysis. It was first necessary, however, to estimate expenditures for the MR/DD component of state government special education activity, and also for state income maintenance supplements. (These expenditures were not included in the State Government Expenditure Study described in Chapter 2)

Spending for state supported MR/DD special education services was estimated to be $1.27 billion in school year 1983/84. This estimate was based on a survey conducted by the Education Commission of the States (ECS) (McGuire, 1984). The estimate assumed it was 1.4 times as expensive to educate a mentally retarded child than to serve a non-retarded handicapped child (Kakalik, 1981). The $1.27 billion figure was imputed nationally from the data provided by the 31 states responding to the ECS survey. The U.S. general population was used as the basis of the nationwide extrapolation.

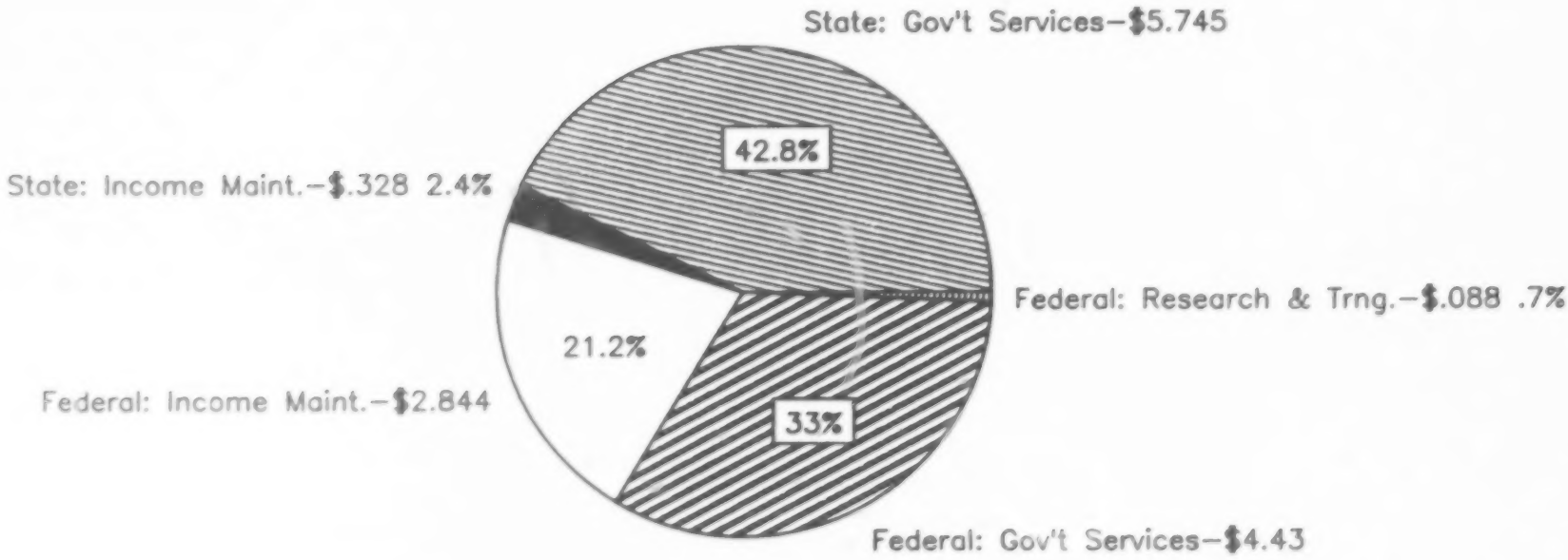
When projected nationally, the ECS survey indicated that the total state government special education expenditure in 1984 was $5.43 billion. This figure was then multiplied by the PL 94-142 child count data which indicated that 16.73% of all handicapped children served in 1983-84 were mentally retarded. (Thus: $5.43 billion x .1673 x 1.4 = $1.27 billion.)

Total State-Federal MR/DD expenditure in 1984, including special education and state SSI supplementation, was $13.436 billion. The funds were deployed on a 45% state - 55% Federal basis. This is displayed below in Chart 21.

NOTE: Chart 21 excludes funds expended for MR/DD residents of nursing homes. A 1977 HCFA study (DHEW, 1979) identified an estimated 79,800 mentally retarded persons in nursing homes, 50,000 of whom were being supported under the provisions of Title XIX in general ICF/SNF placements. MR/DD nursing home residents, however, are not eligible for nursing home services solely on the basis of their developmental disabilities, but rather on the basis of indigence and medical condition. Assuming that the number of MR/DD residents supported by Title XIX has remained stable at 50,000, and that reimbursement increases for this group have been identical to increments for all ICF/SNF residents during the 1977-84 period, an estimated $442 million was expended for federal-share ICF/SNF reimbursements on MR/DD placements in nursing homes in 1984. Again, this figure was <u>not</u> included in the $13.436 billion indicated in Chart 21.

CHART 21

State–Federal MR/DD Spending in 1984 By Category of Activity (in Billions)



Total Spending: $13.436 Billion

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Institutional and
Community Spending

Income Maintenance funds for the SSI, SSDI, Food Stamps, and SSI state supplementation programs reached $3.17 billion in 1984, comprising almost one-fourth of all state-Federal MR/DD expenditures. (Only 10% of all income maintenance payments stemmed from state sources.) Roughly, one-third of all state-Federal 1984 MR/DD expenditures were deployed for institutional operations. The remaining 45% of total state-Federal spending was spent for community services activities (Chart 22).

State governments collectively spent $3.443 billion or 57% of the $6.052 billion in combined state-Federal services funds expended in community settings. Non-institutional Medicaid was the largest Federal community services program in 1984, with estimated reimbursements of $.836 billion.

Trends in State-Federal MR/DD Spending: 1977-84

Across the eight-year span of the study, state spending for institutional services operations dropped 27% in real economic terms. Simultaneously, state own-source expenditures for community services more than doubled in real economic terms. On an unadjusted basis, state own-source community funds advanced from $ 1.56 to $3.77 billion.

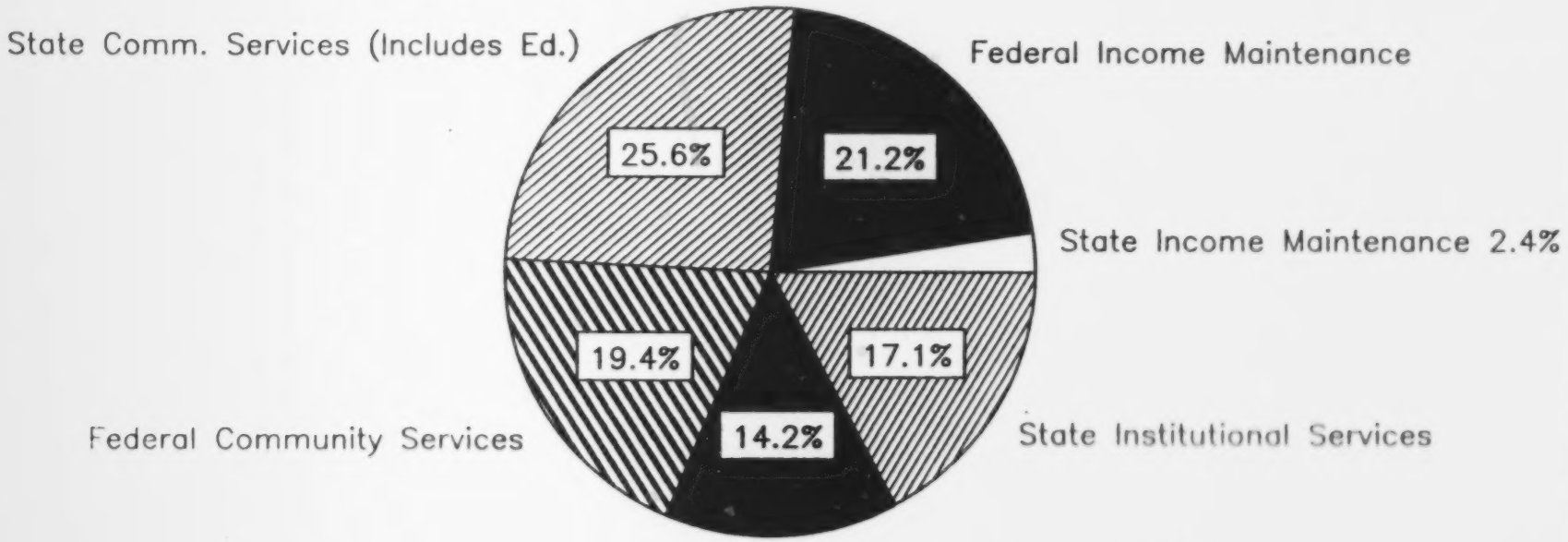
Estimated MR/DD special education expenditures, at the state level, were imputed from incomplete ECS surveys in 1976, 1979, 1980, 1981, and 1984. Estimated special education spending advanced on an unadjusted basis from $808 million to $1.27 billion between 1977-84. Chart 23 illustrates, in real economic terms, the period's rapid increases in state and federal community services expenditures, and the decrease in state support for institutional operations. Income maintenance payments were included in the figures for community funds in this Chart.

In response to the implementation of Medicaid cost-containment policies, the growth rate of Federal support for institutional operations slowed considerably in 1982-83 as illustrated in Chart 23. In real economic terms, Federal institutional support, primarily ICF/MR funds, fell in 1984 by six percent from the 1983 level. In the community sector, the pace of real economic growth in Federal funding stalled during 1981-82. However, state funding continued to rise strongly every year during the period, thus cushioning somewhat, on a nationwide basis, the impact of Federal retrenchment.

This is not to say that serious dislocations in MR/DD community sector funding did not occur in many individual states and localities during the 1981-84 period. Many budgetary cutbacks in individual states were identified in the State Government Study reported in Chapter 2, for example. Nonetheless, the trend in overall state-Federal community sector funding on a national basis moved consistently upward across the 1977-84 period.

CHART 22

State–Federal Expenditures for MR/DD Institutional & Community Services in the United States: FY 1984



Total Funds: $13.436 Billion

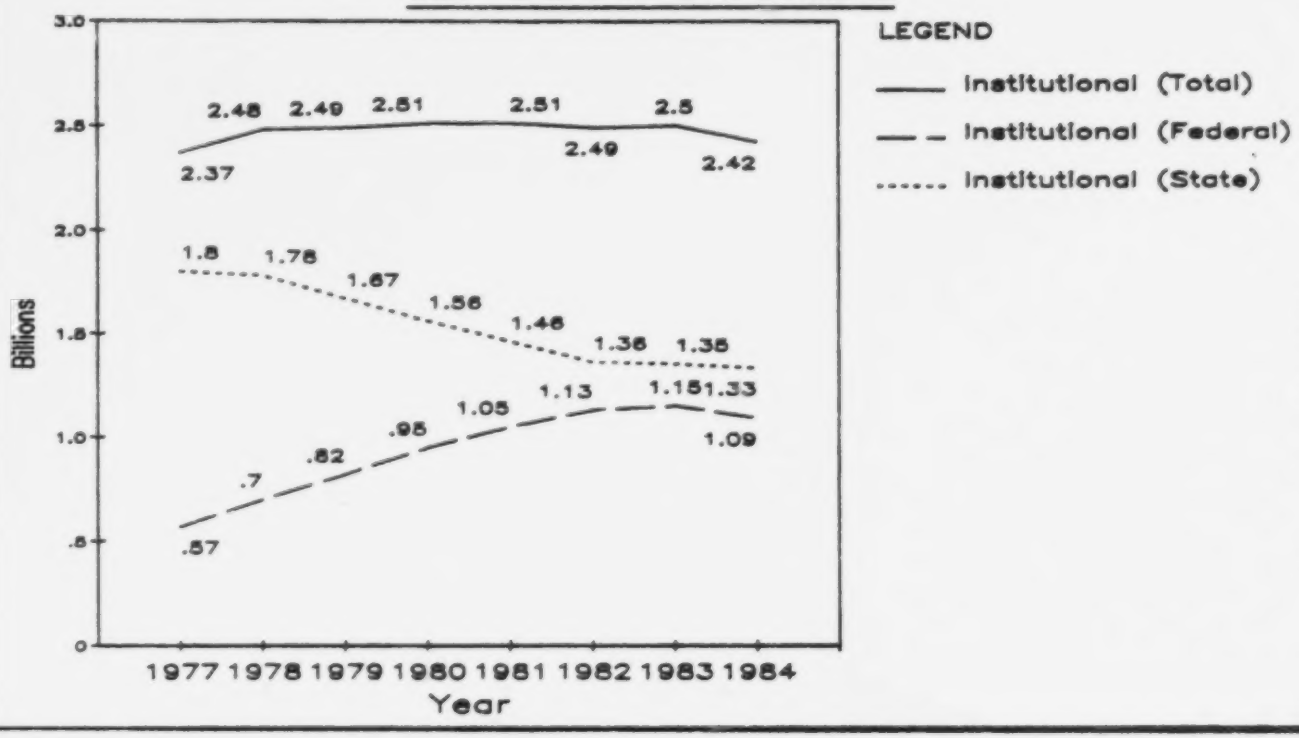
97

98

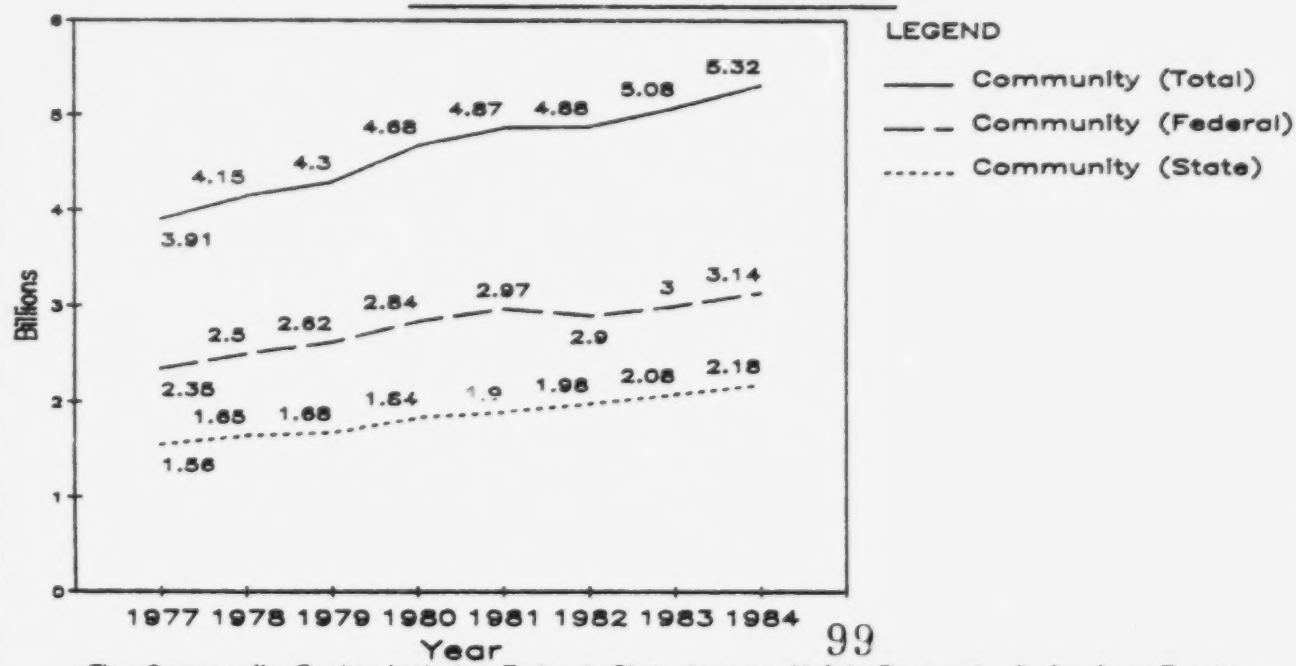
Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

CHART 23

MR/DD State—Federal Spending in the Institutional Sector: FY 1977—1984, *In 1977 Dollars*



MR/DD State—Federal Spending in the Community* Sector: FY 1977—1984, *In 1977 Dollars*



*The Community Sector includes Federal—State Income Maint. Payments & Services Funds.

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Deceleration of Federal MR/DD
Spending Growth: 1978-84

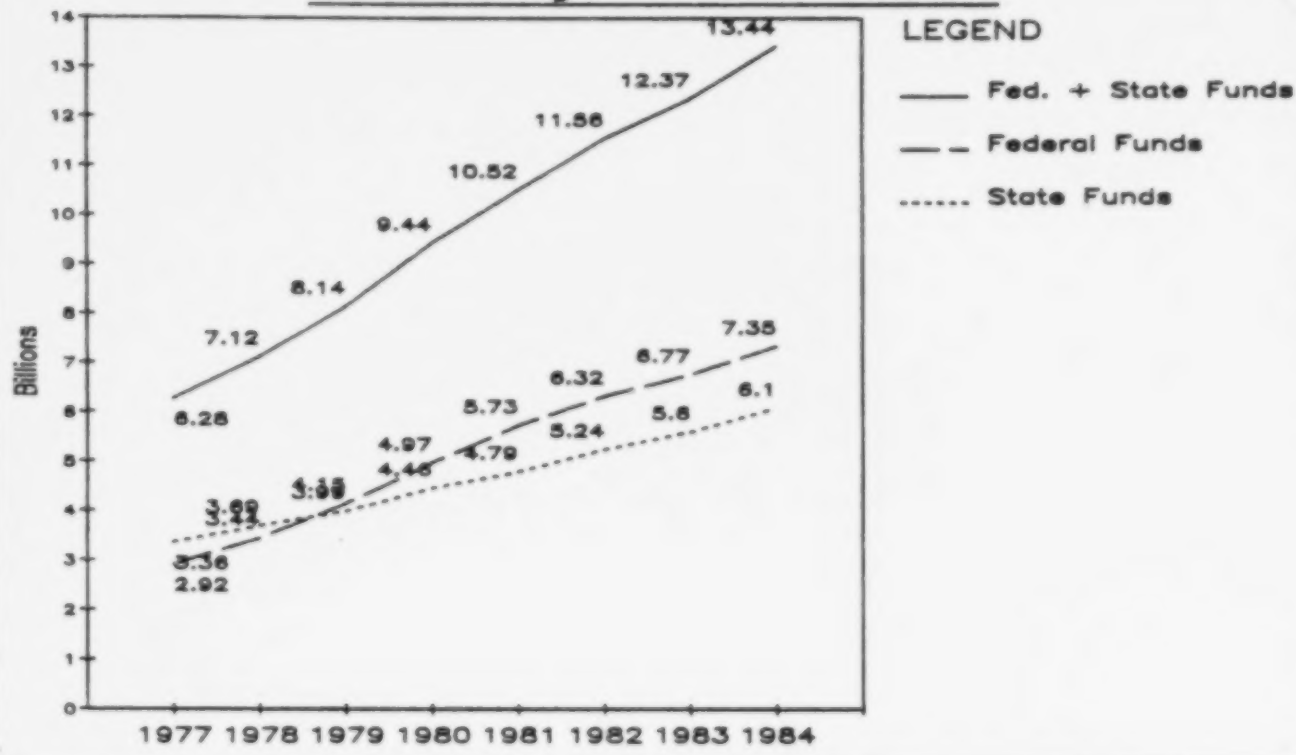
Total state-Federal MR/DD expenditures grew 23% between 1977-84 in real economic terms, an average of 3% per year. Almost all of the increase was attributable to growth in Federal MR/DD spending, which climbed 45% over the eight year period--an average gain of 5.5% per year. State-source MR/DD expenditures also exceeded the inflation rate, but by a factor of only 4.5% over the eight year period--an average increase of only .6% per year. The growth of total MR/DD spending during 1977-80 (14.5%) was reduced by one-half during 1980-84 (to 7.6%). Total state MR/DD spending growth increased during 1980-84 over 1977-80, by 1.2% to 3.2%.

The adjusted rate of growth for Federal MR/DD spending plunged from 29.8% for 1977-80 to 11.6% during 1980-84. The average annual real rate of growth in Federal MR/DD spending was 9.1% per year for 1977-80; and 1.7% per year for 1981-84. (This deceleration of Federal MR/DD spending growth is illustrated in Chart 24.) Thus, to a small degree, state governments compensated for cutbacks at the Federal level.

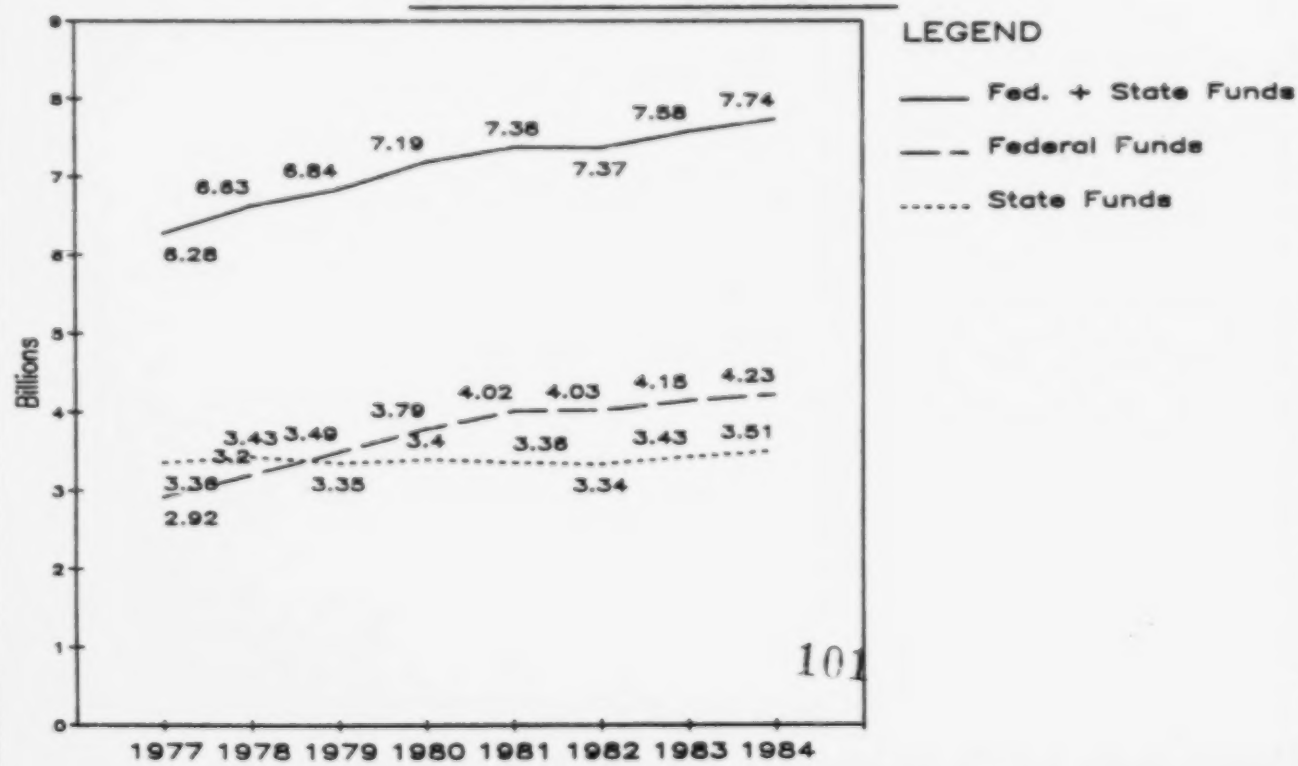
CHART 24

MR/DD State–Federal Spending: FY 1977–84

In Unadjusted Dollars



In 1977 Dollars



101

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

States Shift Expenditures Toward Community Objectives

In sum, annual state MR/DD funding from own-source revenues during 1977-84 was characterized by considerable stability in adjusted consolidated spending levels for institutional and community-based program operations. This was no small achievement during a period of the high inflation, tax revolts, and Federal austerity in social spending. Underlying this stability in total funding, however, and an even more important national trend, was a massive shift away from institutional funding toward substantially increased support for community-based activities. The growth of state funding for community services across the nation was unprecedented, and in many states, spectacular.

Federal MR/DD spending, on the other hand, was characterized by rapid real economic growth in the support of state institutional operations, moderate growth in funding for community services, and strong growth overall. The growth rate of Federal MR/DD spending was reduced during President Ronald Reagan's first term by a factor almost two-thirds below the MR/DD growth rate during 1977-80.

Per Diem Expenditures in the Community

The relationship between the volume of funds expended nationally for institutional operations versus that for community sector funding warrants further discussion. In 1984, the nation's 109,827 residents in state-operated institutions received state-federal fiscal support of $106.43 per resident per day. In contrast, state-federal support ($9.22 billion) for an estimated 2.34 million MR/DD individuals residing in the community was an estimated $11 per day. This calculation assumed that 1% of the nation's general population of 233.8 million had severe developmental disability.

The community per diem calculation was very sensitive to altered assumptions about the prevalence of developmental disabilities in the U.S. general population. Some investigators have previously estimated the DD prevalence rate at 1.6% and the mental retardation component of the DD population at 1%. A very restrictive (and nonscientific) assumption about the prevalence of developmental disabilities is to base computations on SSI recipient statistics. An estimated 630,498 mentally retarded persons received SSI payments in 1984. This was about 1/4% of the 1984 U.S. general population.

When the restrictive SSI prevalence assumption is used, community sector per diem expenditures in 1984 were $40 per day from state-Federal sources. When, on the other hand, the 1.6% prevalence figure was used, the per diem level dropped to $7 per day.

Local Funds

The remaining unknowns in the profile of public MR/DD expenditures presented in this study consisted of local government funds. These included

local school district expenditures for special education services to pupils who were mentally retarded or developmentally disabled. The quantity of local community services funds stemming from county and municipal governments' own-source revenues, excluding matching funds for the ICF/MR Program, which were included in the State Government Study (Chapter 2), is also unknown. Unfortunately, the basis for generating a reasonable estimate of MR/DD local educational agency spending was even poorer than the weak basis available for estimating state government special education expenditures. If one assumed, for the sake of argument, that local funding for special education services was equivalent to the state contribution, then total local funds supporting MR/DD educational activities in 1984 was approximately $1.27 billion. Using P.L. 94-142 child count statistics and National Center on Education Statistics data on total elementary and secondary expenditures to generate special education costs, the estimated MR/DD local figure was $2.78 billion.

Estimates of local noneducational expenditures were somewhat less volatile than education projections since the total sums involved lacked the scale of the resources supporting the U.S. educational system. The State Government Study gathered data on local noneducational expenditures in a few instances when these data were available from state government sources. On the basis of linear extrapolation from figures gathered in Virginia, Nebraska, Wisconsin, and other states, projected total nationwide local expenditures in 1984 ranged between $986 million and $344 million (average = $655 million).

The infusion of local funds into the state-Federal figures increased the per diem for MR/DD community sector spending to $13 per day. Using the 1.6% prevalence rate, the per diem was $8. The Table below summarizes community sector per diem calculations using various assumptions about the volume of local expenditures and the prevalence of developmental disabilities in the general population.

CALCULATION OF ESTIMATED PUBLIC MR/DD PER DIEM EXPENDITURES
IN THE COMMUNITY: FY 1984

MR/DD STATE-FEDERAL COMMUNITY SPENDING

STATE COMMUNITY SERVICES (INCLUDES SPECIAL EDUCATION)	$3.443 billion
FEDERAL COMMUNITY SERVICES	$2.609 billion
STATE INCOME MAINTENANCE	$ .328 billion
FEDERAL INCOME MAINTENANCE	$2.844 billion
TOTAL MR/DD COMMUNITY SPENDING	$9.224 billion

ESTIMATED LOCAL MR/DD SPENDING

	ASSUMPTION "A"	ASSUMPTION "B"
IF LOCAL SPECIAL EDUCATION IS:	$1.270 billion	$2.789 billion
IF LOCAL FUNDS ARE:	.665 billion	.986 billion
GRAND TOTAL: Federal/State/Local =	$11.159 billion	$12.999 billion

PER DIEM CALCULATION

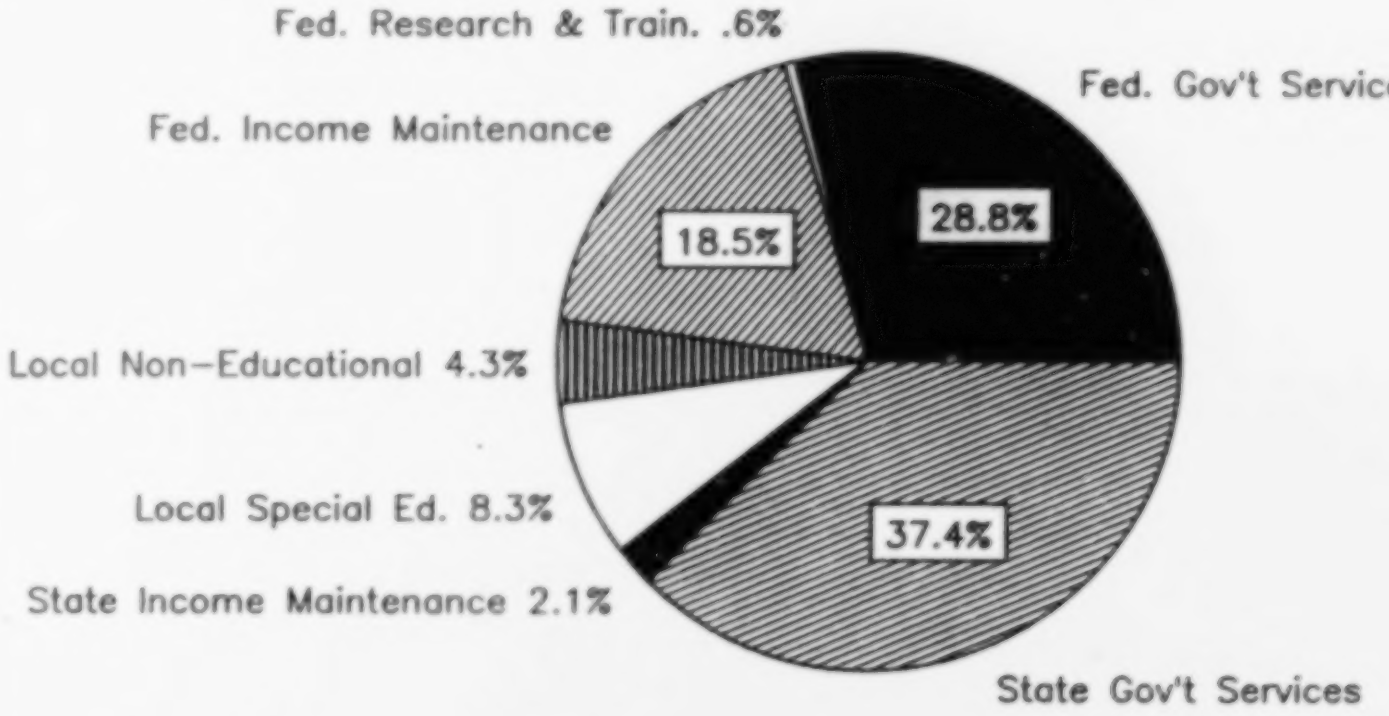
PER DIEM BASED ON PREVALENCE RATES:

@ .0027% RATE (SSI)	$48/day	$56/day
@ 1.0% RATE	$13/day	$15/day
@ 1.6% RATE	$ 8/day	$10/day

In summary, using the more reasonable MR/DD prevalence rates of 1.6% and 1.0%, and also adjusting local expenditures to generate high and low estimates, 1984 community per diem calculations ranged from approximately $8.00 to $15.00. These figures were between 8% and 14% of the 1984 U.S. institutional per diem expenditure of $106.43.

Total Federal-state-local MR/DD institutional and community sector spending in 1984 therefore ranged between $15.37 billion and $17.21 billion depending primarily on the figure used to estimate local expenditures. Chart 25 below illustrates total MR/DD public spending in the U.S. in 1984, by level of government, at the $15.37 billion level of funding.

Total Federal–State–Local MR/DD Expenditures in the United States: FY 1984



Total MR/DD Expenditures: $15.37 Billion

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, U of IL at Chicago, 1984

CHAPTER 5
CONCLUSION

State MR/DD Spending

The comparative analysis of state government budgets is a useful quantitative technique for describing contemporary trends in the MR/DD field. Expenditure analysis over many years poses formidable logistical and technical problems, but the results yield vital policy development, economic, and programmatic information. The increasing visibility of MR/DD administrative units in state government, coupled with the adoption in many states of new financial priorities in community services development, make studies of this type both feasible and desirable on a periodic basis.

In the State Government analysis, two findings stood out. First, total funding for institutions reached a plateau in the United States during the 1977-84 period. This development was unprecedented since World War Two and the Great Depression. The fact that this trend was also accompanied by the first series of closures of state institutions made the plateau even more significant historically. Second, the states have begun to make substantial financial commitments to the development of community-based services. Some states accomplished a great deal more than others in this area, and the fiscal performance of several of the nation's early community services leaders such as Wisconsin, Iowa, and Georgia has slipped somewhat.

Federal Government reimbursements of services provided in approved ICF/MR settings accounted for a larger and larger share of the available MR/DD resources during the 1977-84 period. One-sixth of the $15.37 billion in estimated total Federal, state, and local MR/DD expenditures in 1984 was federal-share ICF/MR reimbursements. If the additional $2 billion state match is included in the calculation, the ICF/MR Program contributed 30% ($4.6 billion) of all public MR/DD financial resources in 1984. Only eight years earlier, total state-Federal ICF/MR reimbursement was $1.2 billion--about 16% of all MR/DD public expenditures.

Most federal ICF/MR funds flowed into state treasuries as reimbursements for placements in institutional settings. In 1984, Federal ICF/MR funds represented 45% of total expenditures in the U.S. for institutional operations. Meanwhile, most states simultaneously reduced commitments of their own revenues to institutional services, and began deploying larger sums from the state tax base to finance community services.

Social Services reimbursement under Title XX of the Social Security Act was the most important Federal revenue source in many states which financed their initial thrusts in community services development in the 1970's. In real economic terms, spending for MR/DD social services under the Block Grant has fallen 18% since 1982. Some of the early state leaders in community services development have lost position due to their inability to garner sufficient community services funds to compensate for declining Social Services Block Grant revenues.

The states have been described as human services laboratories in which new ideas for services are tried out and then discarded or adopted as the dominant national pattern. This seems to be the process underway in the developmental disabilities field today. Most states are stressing the development of community services as options to institutional services; but judging from their balance sheets, only a handful of states have made strong, relatively long-term financial commitments to a community-based system. Nebraska and Minnesota rank supreme among the states in this regard, although by 1984, several newcomers such as Michigan, New Hampshire, North Dakota, the District of Columbia, New York, Vermont, Louisiana, Maine, and Rhode Island had made impressive gains.

A study of this type cannot be completed without developing a greater appreciation for the immensity of the nation and for the great diversity of the states in our federal system. We are tempted to present study recommendations for unifying state budget concepts, terminology, and MR/DD accounting and reporting practices in the states. It would make replicating this study much easier, and national planning and program development in the MR/DD field would be easier and possibly more effective.

Realistically, however, budgeting, accounting, and reporting systems in the states are tied to state and federal statutes and regulations. State systems and procedures are highly individualistic. A single MR/DD budgeting framework for all state systems is, like a budgetary theory capable of predicting future expenditures, utopian. There is, however, nothing to prevent state MR/DD agencies from completing their own annual or biennial analyses of public expenditures for institutional and community services, and then including the results of such studies in their published annual budgets for informational purposes. A few states already do this, and others may wish to consider it.

Federal MR/DD Spending

Although the Federal Government has been supporting mental retardation activities consistently for 40 years now, the majority of the cumulative total of the $62 billion budgeted for this purpose has, in unadjusted terms, been expended since 1981. Even in real economic terms, 53% of all MR/DD funds have been deployed since 1979. These remarkable statistics are primarily the product of the rapid advance in Federal MR/DD spending from 1974-81, and of the relatively small MR/DD expenditure base that existed prior to 1974.

Five Federal programs, in fact, out of 82 adopted, accounted for 78% of total cumulative MR/DD spending across the entire 1945-85 period. The ICF/MR Program alone, which was not initiated until 1972, accounted for $16.396 billion (26%) of the total. Other large programs included Supplemental Security Income ($11.915 billion), Disability Insurance Benefits ($10.353 billion), Non-Institutional Medicaid ($7.165 billion), and Social Services ($2.65 billion).

The interests of people with developmental disabilities are, to paraphrase the President's Panel on Mental Retardation, inextricably bound-up within the scores of health, educational, and human services programs presently administered. Many of these programs, such as Medicaid/Medicare and education aid, had their origins in the Great Society legislation of the Sixties. A major purpose of the lobbying effort on behalf of developmentally disabled persons over the past 20 years, in fact, has been to press for favorable legislation and regulatory provisions incorporated into Great Society enactments. The diffusion of legislative provisions and administrative practices favorable to the interests of people who are retarded has been very extensive. The number of relevant Federal MR/DD programs identified in this study--82--is convincing testimony to the work of the professional and consumer organizations in the field. Whereas only a generation ago there was virtually no Federal funding for MR/DD programs, there is now substantial support. This is the "long view"-- looking at the trends over a 40-year period.

In the short-term, however, it is quite another matter. The diffusion of Federal MR/DD programs across the broad panorama of governmental operations--from health care to housing loans--has brought with it a special vulnerability. There is now something to be taken away. When there were no Federal MR/DD programs, there was no money subject to cutback. The 1981-85 period has been particularly sobering to a field that experienced essentially uninterrupted real economic growth in Federal spending for the Quarter-Century between 1955-80. Since 1981, however, significantly more Federal resources have been allocated to underwrite national defense activities; and relatively less funds have been deployed for domestic activities, including developmental disabilities.

In effect, a reconfiguration of the Federal budget has been implemented, and the result has been relatively severe austerity for many individual MR/DD programs. In relation to overall domestic budget trends since 1980, however, overall MR/DD spending has exhibited relative strength. The primary reason for this was the statutory features of entitlement legislation in the SSI, SSDI, and ICF/MR Programs. It should also be stressed that Federal support of mental retardation research and training activities has been declining in real economic terms since 1972.

In the introductory chapter of this working paper, it was stated that money was only one possible indicator of service system performance, and of national concern for persons with developmental disabilities. There is considerable environmental and programmatic variation among institutional and community facilities at all levels of funding. It must not be assumed that merely because funds are deployed to community settings, superior client outcomes will always result. However, in the early stages of the broad-based national social movement to implement community-based services for people with developmental disabilities, expenditures are one of the best single indicators of political and social progress.

Future Research

This report is essentially a descriptive statistical summary intended to help policy officials, consumers, professionals, and students become more familiar with state and national patterns of public MR/DD finance. The study has collected a great deal more data than it has been possible to analyze in the present volume. Multiple regression statistical techniques need to be applied in hypothesis testing studies to determine what roles economic and political determinants have played in the states which have chosen to expand community and/or institutional services programs.

For example, to what extent, if any, do state variations in MR/DD fiscal performance relate to high levels of education or personal income among the general population; the presence of a "professionalized" legislature; an active interest group sector; Democratic or Republican leadership; Gubernatorial priority; or, to specific actions of the legislative and judicial branches? How well does the presence of a favorable statewide zoning ordinance, a state civil rights statute for the disabled, and/or major class action litigation explain state variations? Also, is there a strong positive relationship between MR/DD expenditures and accreditation?

Having identified fiscal efforts made by state governments in the field of MR/DD, we might ask not only what particular qualities of the states tend to explain levels and rates of change in state MR/DD funding levels. In addition, are these qualities the same as those which predict variations in state policies generally, or are they factors peculiar to the MR/DD field? The data collected for the present study can also be used to address theoretical issues in the area of comparative state policy analysis and budgeting. The study may be unique in its use of individual state programs as units of analysis rather than state agencies, particularly in an area in which so much of the funding comes from state rather than federal sources. The data can be used to test the budget success rates of programs (i.e., the amount of money appropriated for a given program divided by the amount of money requested for that program). According to Cogan (1980) this has not previously been attempted "below the agency or bureau level" (p. 87).

Another study might select multiple field sites in three or more states in areas of relatively high, medium, and low MR/DD expenditures. Assessments of the behavioral functioning, health status, and general well-being of clients in these settings would be studied to determine the association between client outcome and the level of expenditures. It may seem logical to conclude that more funds mean superior outcomes for clients, but the relationship between spending level and client outcomes probably correlates poorly once certain minimal levels of spending are achieved.

The analysis only scratched the surface in terms of the important and growing role of local governmental units in the delivery of MR/DD services, and this topic is worthy of future attention. Perhaps the most crucial financial analysis in the disability field, however, would seek to replicate the present study with respect to expenditures for mental illness. There is a need to systematically examine the efficacy of the financial structure undergirding community-based services in the United States for persons with mental illness. A comparative analysis of state and local fiscal effort in special education is also long overdue. Finally, there is a continuing need to annually or biennially update MR/DD expenditure data from the states and Washington, replicating the present investigation on a periodic and timely basis.

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APPENDIX

UNITED STATES CHART SERIES

The charts in this Appendix are representations of Institutional and Community Services expenditures in the United States as a whole (the 50 States and the District of Columbia, aggregated). The "United States" charts reflect aggregated totals in the same expenditure and revenue categories utilized individually for each State and for D.C. in the State-by-State Analysis described in Section 1 of this Working Paper.

The "Ranked-by-State" charts complement the United States charts by providing 51-state comparisons along several expenditure and revenue dimensions. The issues addressed include:

- Levels of FY 1977 and FY 1984 Institutional and Community Expenditures
- Revenue Sources for Institutional and Community Services
- Institutional Services Per Diem and Population Trends

Three comparative economic scales were employed to gauge MR/DD expenditures in the Nation and on a State-by-State basis. The scales are Personal Income, Total State Budget, and General Population per capita expenditures. The scales show sums expended in the U.S. for MR/DD Institutional and Community Services per $100 of personal income; the percentage MR/DD expenditures represent of the states' total budgets; and the average MR/DD expenditure for each citizen of the United States.

The 37 pages of charts in the Appendix are organized into six sections. At the beginning of each section there are brief descriptions of the charts to follow. The six sections are as follows:

SECTION A -- COMPARISONS OF INSTITUTIONAL AND COMMUNITY SERVICES EXPENDITURES FOR THE FIFTY STATE AND THE DISTRICT OF COLUMBIA: FISCAL YEAR 1977 THROUGH 1984 . . 2

SECTION B -- COMPARISONS OF MR/DD EXPENDITURES ON SELECTED SCALES OF STATE AND NATIONAL FUNDING CAPACITY. 13

SECTION C -- REVENUE SOURCES FOR MR/DD INSTITUTIONAL SERVICES 29

SECTION D -- REVENUE SOURCES FOR MR/DD COMMUNITY SERVICES 33

SECTION E -- COMPARATIVE UTILIZATION OF FEDERAL ICF/MR REIMBURSEMENTS IN INSTITUTIONAL AND COMMUNITY SETTINGS. 40

SECTION F -- DAILY EXPENDITURE AND POPULATION TRENDS IN INSTITUTIONAL SERVICES. 47

APPENDIX
- 2 -

SECTION A

COMPARISONS OF INSTITUTIONAL AND COMMUNITY SERVICES EXPENDITURES FOR THE FIFTY STATES AND THE DISTRICT OF COLUMBIA: FISCAL YEAR 1977 THROUGH 1984

1. United States Comparative Annual MR/DD Expenditures for Institutional and Community Services, FY 1977 - 1984. 5

This chart and all others utilize the definitions of Institutional and Community Services which were provided in the Introduction. The chart is in two parts. At the top comparative, or cluster, bars demonstrate each year's expenditures--FY 1977 to 1984--in Unadjusted Dollars, for Institutional and Community Services. The bottom half of this chart represents the same expenditures, but adjusted to represent constant 1977 dollar values.

(Note: The source of information for the Adjusted, Constant 1977 Dollar values for this and all other Charts in this Monograph is the Bureau of Economic Analysis, GNP Price Deflator Section in the Commerce Department. There are several Sub-Indices for GNP Price Deflation. The "State and Local Sub-index" has been used throughout our analysis.

2. United States MR/DD Expenditures for Institutional Services/ Community Services: A Comparison of State and Federal Funding: FY 1977 - 1984. 6

This chart, in Unadjusted Dollars, demonstrates the total annual Institutional (top half) and Community (bottom half) expenditures for the Eight Year period, FY 1977 to 1984. In addition, the bars are subdivided to indicate the comparisons, each year, of the State and Federal Funding sources supporting these total expenditures. As is the case with the other charts in this Monograph, the Fund or Revenue Sources considered are: State Funds; Federal ICF/MR Revenue; Title XX/Social Services Block Grant Revenue; and revenue from other, smaller Federal programs, such as PL 89-313, Foster Grandparents, etc., combined to form Other Federal Funds.

3. United States MR/DD Expenditures for Institutional and Community Services: A Comparison of State and Federal Funding, FY 1977 and 1984. 7

This combination of four pie charts demonstrates the comparison of FY 1977 and FY 1984 funding configurations for Institutional and Community Services. The relative contributions of the various Federal revenue sources (Title XIX ICF/MR; Title XX/SSBG; Other Federal Funds) and State Funds can be compared. Below each of the four pie charts is the total expenditure figure for that year. For example, in FY 1977 $2.431 Billion for Institutional Services, and $744 Million for Community Services was spent by the 50 States and the District of Columbia.

4. United States Eight Year Total MR/DD Expenditures by Revenue Source: FY 1977 - 1984 (for Institutional Services and Community Services Funds). 8

This two-pie chart indicates, for Institutional and for Community Services, the Total (or Cumulative) expenditures during the eight-year period of our analysis (FY 1977 through 1984). Also indicated, for this total period, are the relative contributions of the major funding sources: State Funds; Federal Title XIX ICF/MR; Federal Title XX/SSBG; and Other Federal Funds. The eight-year total expenditures for Institutional and Community Services are $27.7 Billion and $14.3 Billion, respectively.

5. Institutional and Community Services Expenditures in the United States, Ranked by State:

a. FY 1977. 9
b. FY 1984. 10

These two charts represent, for FY 1977 and for FY 1984, the relative ranking of all the States and the District of Columbia in Institutional and Community expenditures. Each State's bar represents the year's total expenditures, and the bar is sub-divided to represent the relative expenditures in Institutional and Community Services. Because of the great variation in the sizes of the States, and therefore in MR/DD Expenditures, it is necessary to display the states in four groups, with four different Y-Axes to accommodate the vastly different expenditure levels (in FY 1984, ranging from over $1.0 Billion in New York, to slightly over $10.0 Million in Nevada). It should be noted that total annual MR/DD Expenditures for a State are compared here only to provide a context for other graphic representations--not as any implied quality differential--since states are vastly different demographically, economically and politically. A subsequent Section (B) of this document addresses the relative rankings of states.

6. Institutional and Community Services Expenditures Expressed as Percentages of Total MR/DD Expenditures, Ranked by State:

a. FY 1977 and FY 1984. 11
b. FY 1977 through 1984 (cumulative). 12

These two charts, one comparing FY 1977 and FY 1984 and one representing cumulative FY 1977-1984 expenditures, are presenting the relative expenditures in each state for Institutional and for Community Services, in selected time periods. Thus, the first chart compares FY 1977 (top) and FY 1984 (bottom) rankings of states, ranked (left to right) from the State (in FY 1977, Nevada) which spent the highest percentage of MR/DD monies for Community Services to the State (in FY 1977, Oklahoma) which spent the lowest percentage for Community Services. The second chart indicates the relative ranking of States based on their cumulative (eight-year total) expenditure patterns.

If all of the individual states' figures in the first chart were totaled, this would correspond to the totals on Chart #3 above (four-pie chart); while totaling the states' figures from the second chart would correspond to Chart #4 above (the two-pie chart.)

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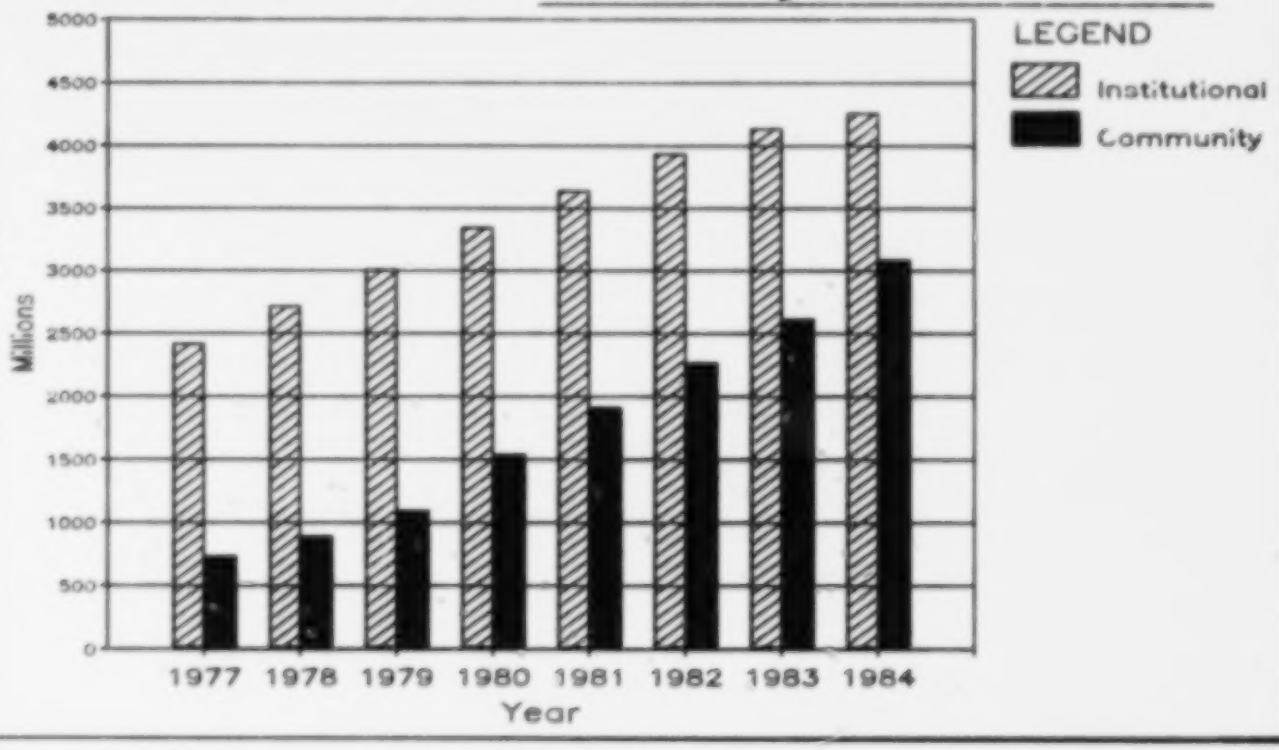
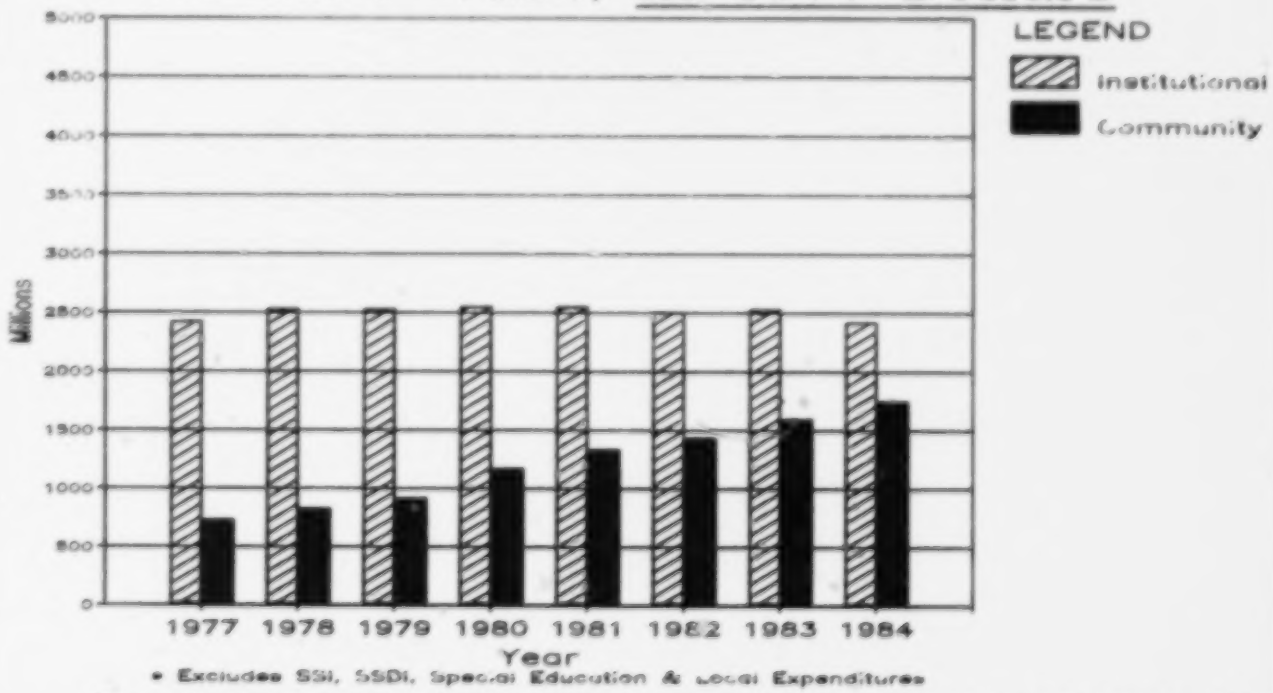
UNITED STATES
Comparative Annual MR/DD Expenditures for *Institutional* & *Community** Services
FY 1977–1984, *In Unadjusted Dollars*



FY 1977–1984, *In 1977 Dollars*

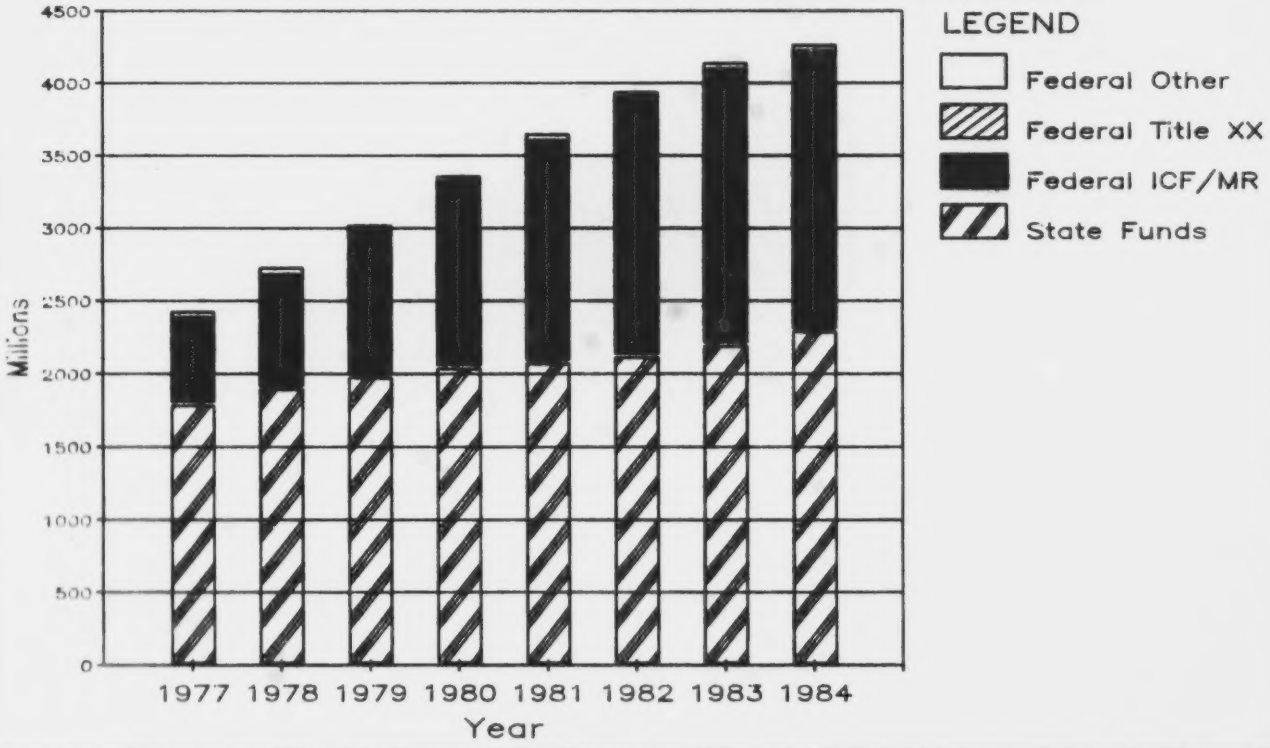


* Excludes SSI, SSDI, Special Education & Local Expenditures

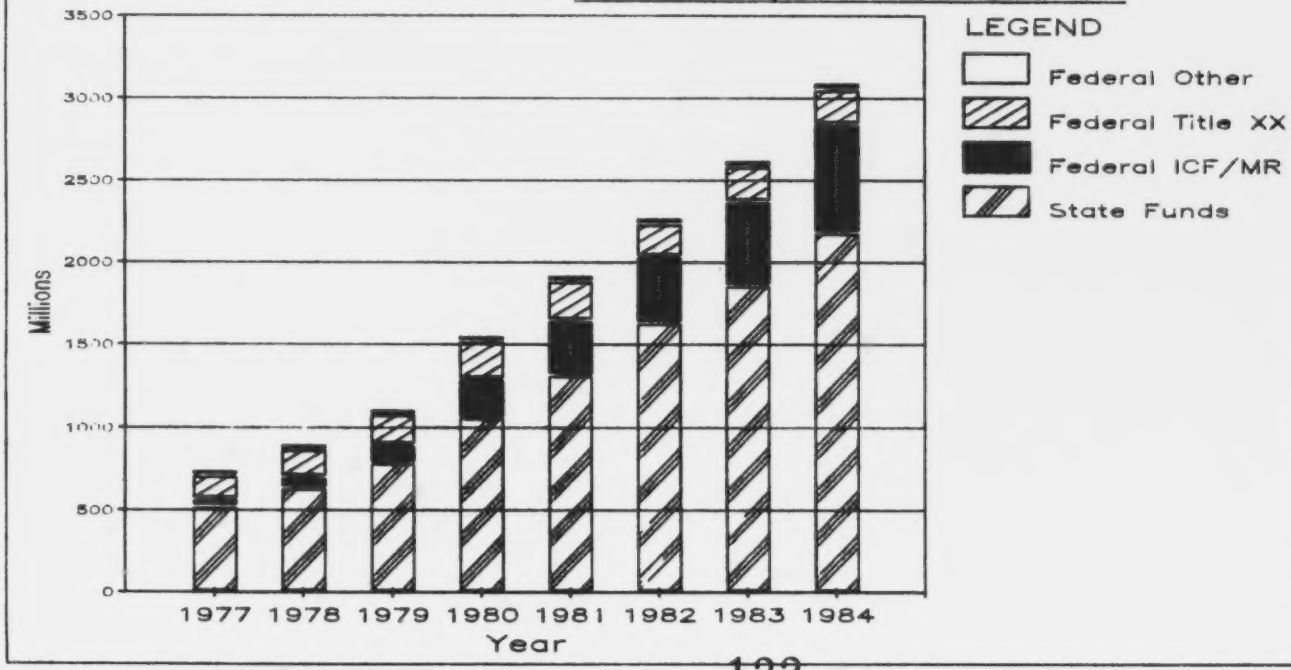
Source: Braddock, Hawes, Hemp. Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

UNITED STATES

MR/DD Expenditures for *Institutional* Services: A Comparison of State & Federal Funding FY 1977–1984, *In Unadjusted Dollars*



MR/DD Expenditures for *Community** Services: A Comparison of State & Federal Funding FY 1977–1984, *In Unadjusted Dollars*



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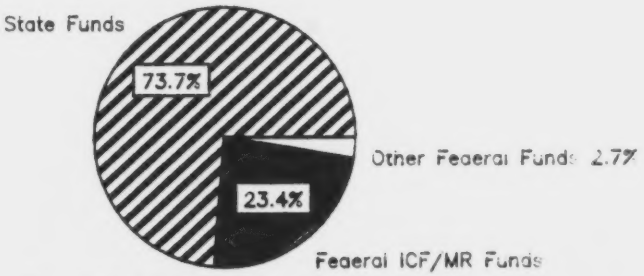
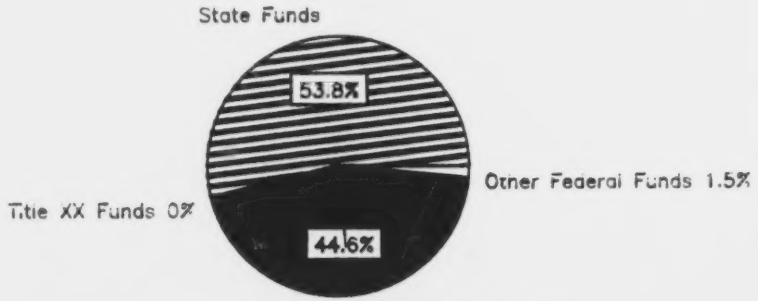
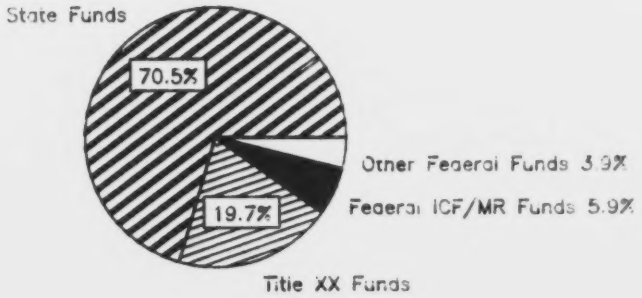
UNITED STATES
MR/DD Expenditures for *Institutional* & *Community** Services: A Comparison of State and Federal Funding FY 1977 & 1984



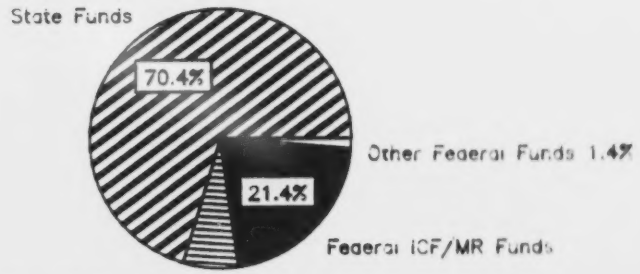
Institutional 1977: $2.431 Billion



Institutional 1984: $4.276 Billion



Community 1977: $744 Million



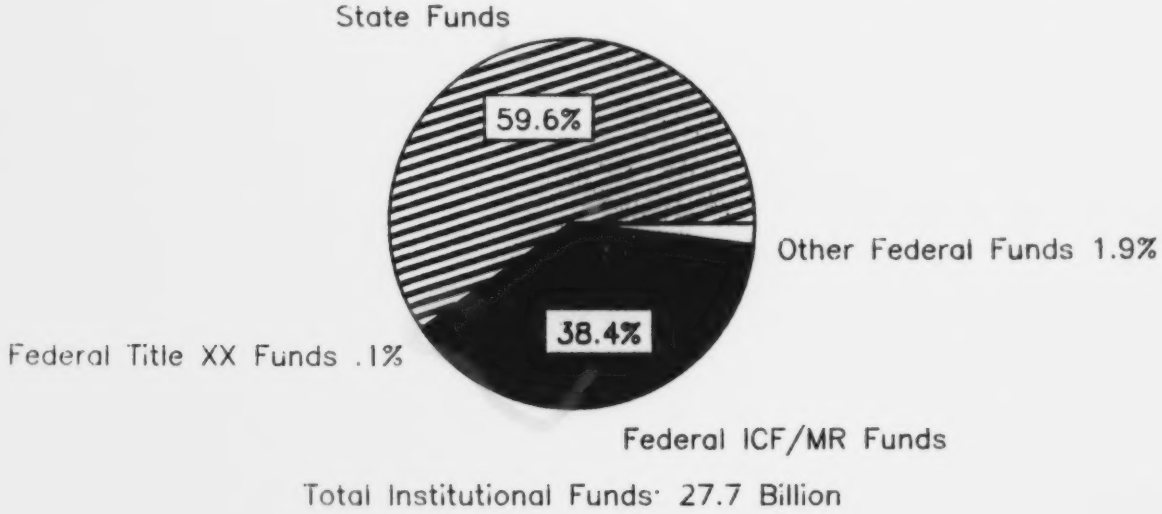
Community 1984: $3.099 Billion

123

124

*Excludes Income Maintenance (SSI/SSDI) & Special Ed. Funds: Source: Braddock, Howes, & Hemp. Expenditure Analysis Project, ISDD, U of IL at Chgo. 1984

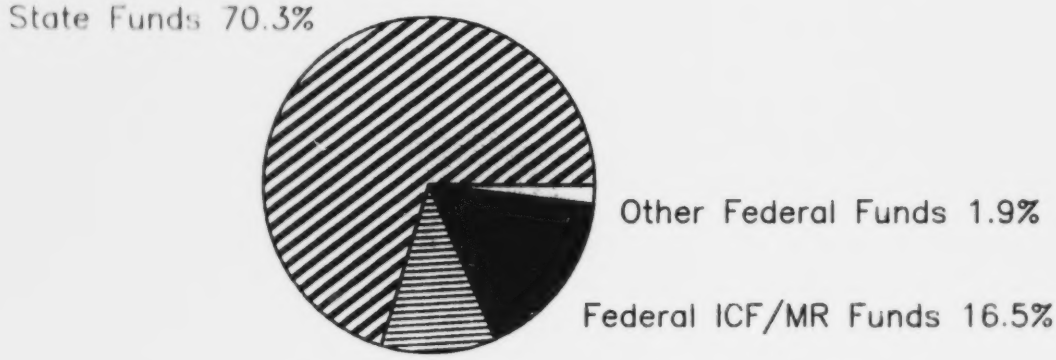
UNITED STATES
Eight Year Total MR/DD Expenditures By Revenue Source: FY 1977–1984
Institutional Services Funds



Total Institutional Funds: 27.7 Billion

Community Services Funds

(Excludes Income Maintenance (SSI/SSDI) & Special Education Expenditures)



Total Community Funds: $14.3 Billion

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

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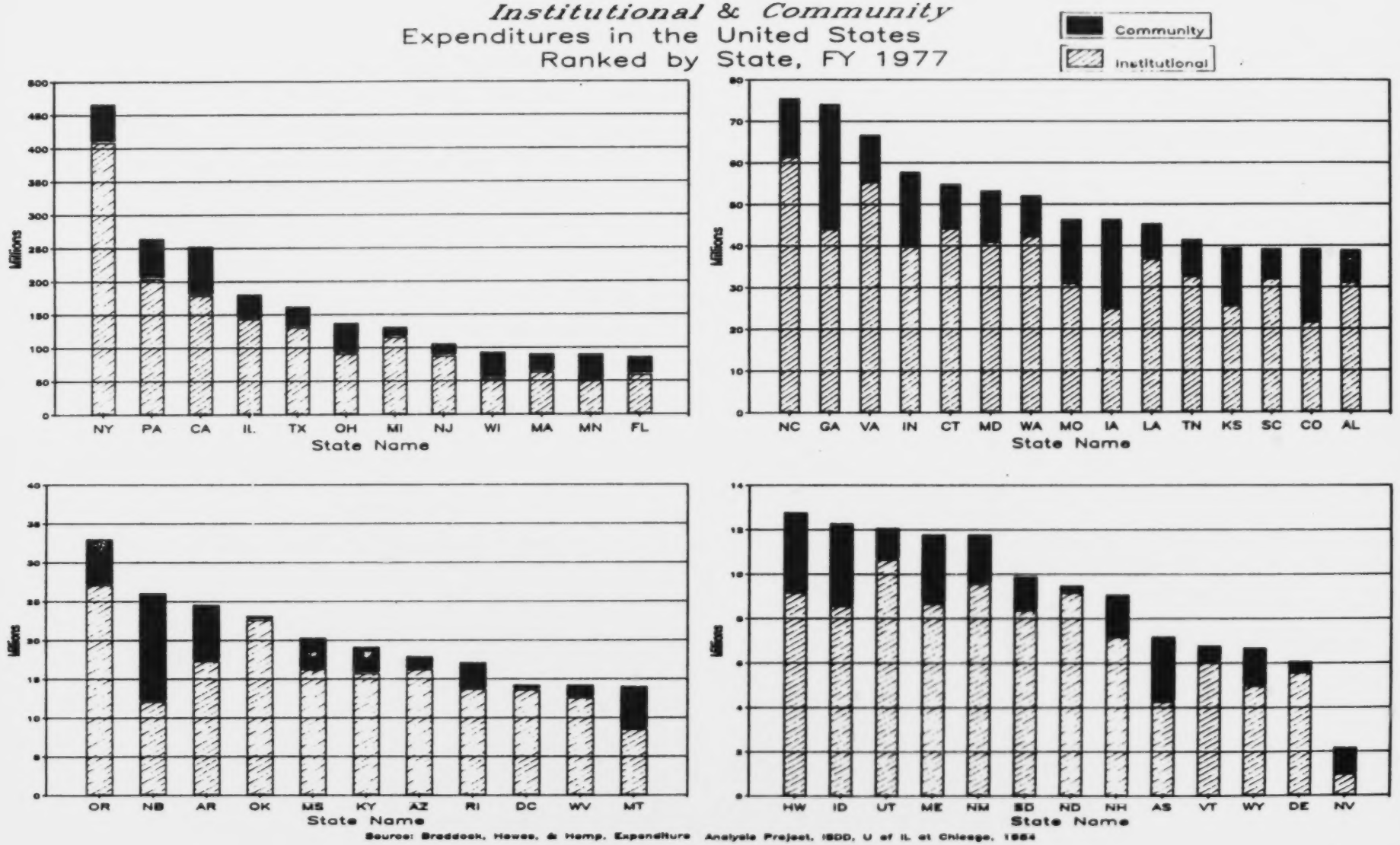
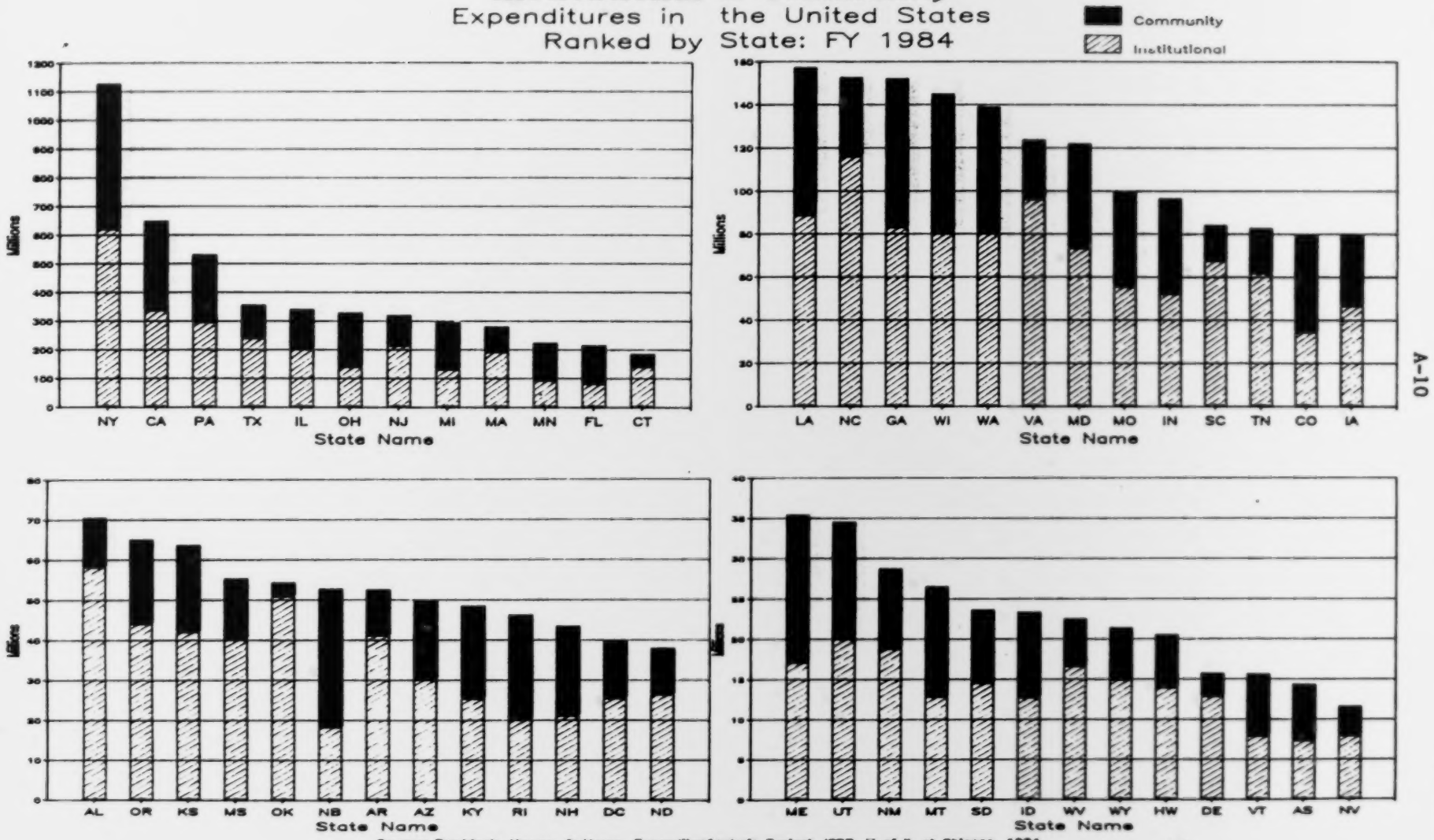
Institutional & Community Expenditures in the United States Ranked by State, FY 1977


Community
Institutional
Millions
NY PA CA IL TX OH MI NJ WI MA MN FL
State Name
NC GA VA IN CT MD WA MO IA LA TN KS SC CO AL
State Name
OR NB AR OK MS KY AZ RI DC WV MT
State Name
HW ID UT ME NM SD ND NH AS VT WY DE NV
State Name

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984


Institutional & Community
Expenditures in the United States
Ranked by State: FY 1984
Community
Institutional
Millions
NY CA PA TX IL OH NJ MI MA MN FL CT
State Name
LA NC GA WI WA VA MD MO IN SC TN CO IA
State Name
AL OR KS MS OK NB AR AZ KY RI NH DC ND
State Name
ME UT NM MT SD ID WV WY HW DE VT AS NV
State Name

Source: Braddock, Howse, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

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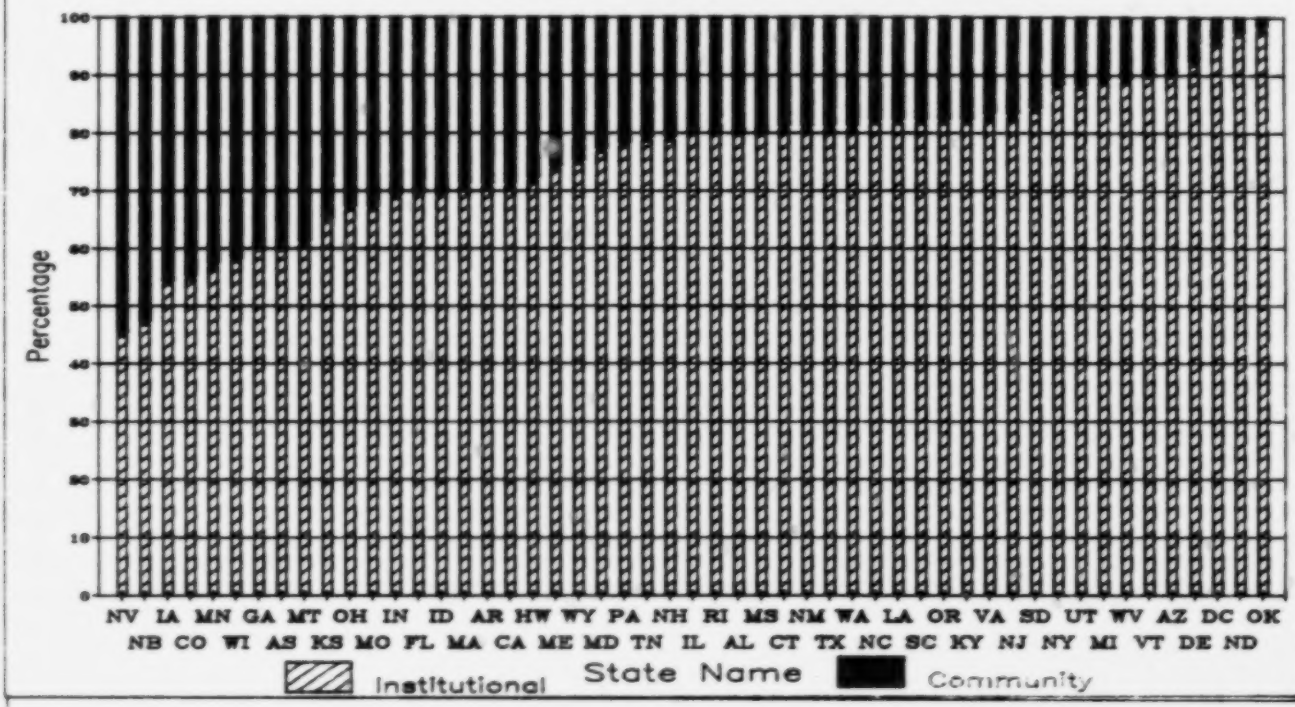
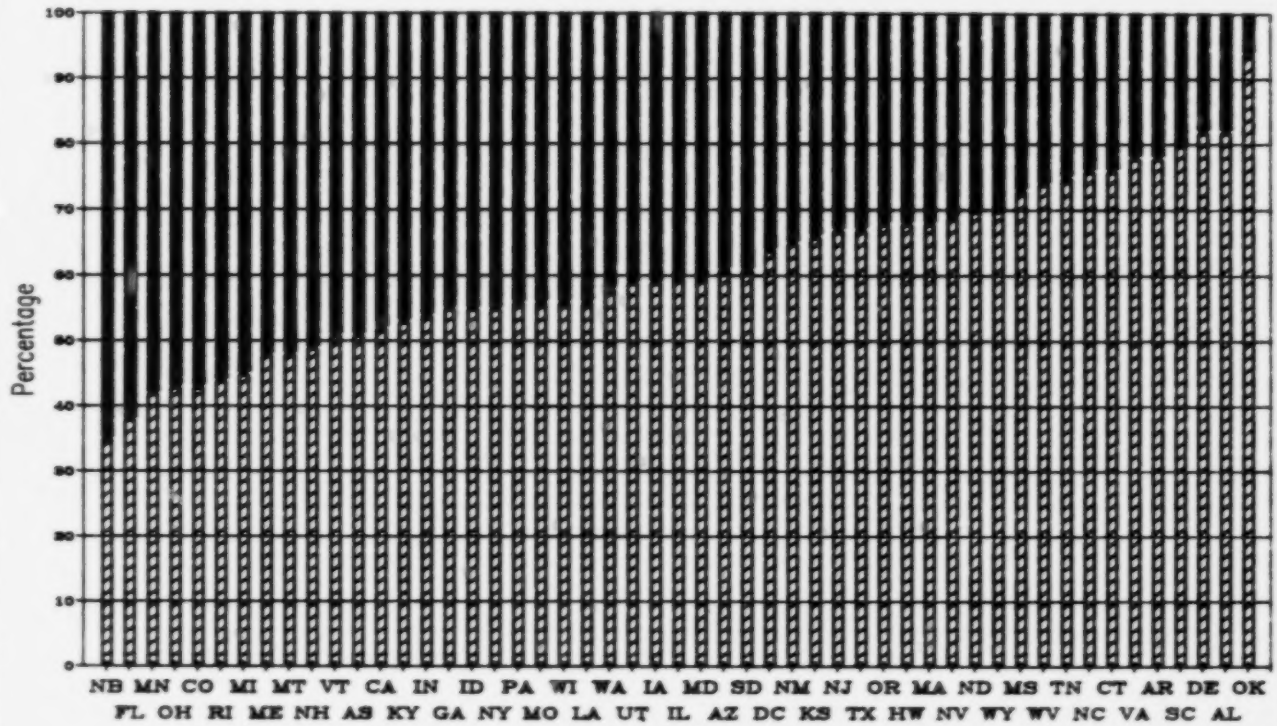
Institutional & Community Services Expenditures Expressed as Percentages of Total MR/DD Expenditures, Ranked by State: FY 1977

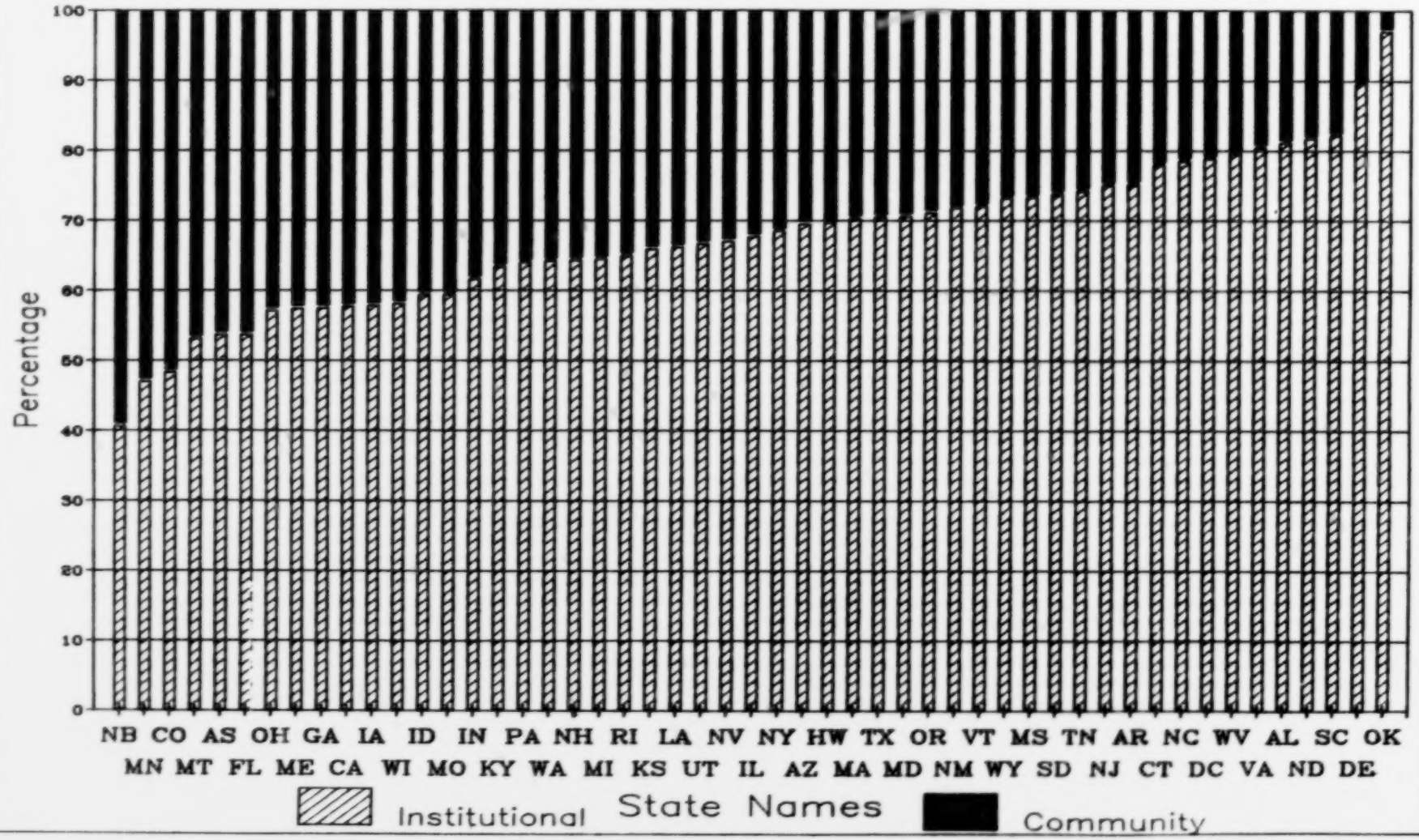


FY 1984


Percentage
100
90
80
70
60
50
40
30
20
10
0
NB MN CO MI MT VT CA IN ID PA WI WA IA MD SD NM NJ OR MA ND MS TN CT AR DE OK
FL OH RI ME NH AS KY GA NY MO LA UT IL AZ DC KS TX HW NV WY WV NC VA SC AL
State Name

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Institutional & Community Services
Expenditures Expressed as Percentages of
Total MR/DD Expenditures, Ranked by State:
FY 1977–1984



A-12

SECTION B

COMPARISONS OF MR/DD EXPENDITURES ON SELECTED SCALES OF STATE AND NATIONAL FUNDING CAPACITY

1. United States MR/DD Expenditures for Institutional and Community Services as a Percentage of PERSONAL INCOME: FY 1977 - 1984. 17

This chart is the first of a series which utilizes the MR/DD expenditure figures presented in Section A above, in combination with three other measures of over-all funding capacity (Personal Income, Total State Budget and General Population). In this chart, the United States' MR/DD expenditures (Institutional and Community) for each year (FY 1977 to FY 1984) are divided by the corresponding year's United States total Personal Income. The bottom half of the chart provides a reference line of each year's U.S. Total Personal Income (in Trillions of Dollars); an accompanying line on this bottom half adjusts the Personal Income figures in terms of constant dollars. One way to think of the percentage figures on this chart is to state that, in FY 1984, the average United States citizen spent 27 cents out of each $100 of his or her personal income for MR/DD services.

Source: The source of the information for the States' annual Personal Income figures is United States Department of Commerce, Bureau of Economic Analysis. The Bureau of the Census annual publication, Statistical Abstract, provided state-by-state 1976 to 1983 calendar year personal income figures. To calculate the FY 1977 MR/DD expenditure share per $100 of statewide personal income, 1976 calendar year personal income statistics were used; to calculate FY 1978 MR/DD share, calendar year 1977 personal income was used, etc.

["Personal income is the current income received by persons from all sources minus their personal contributions for social insurance. Classified as 'persons' are individuals (including owners of unincorporated firms), nonprofit institutions, private trust funds, and private noninsured welfare funds. Personal income includes transfers (payments not resulting from current production) from government and business such as Social Security benefits, military pensions, etc., but excludes transfers among persons. Also included are certain nonmonetary types of income--chiefly, estimated net rental value to owner-occupants of their homes and the value of services furnished without payment by financial intermediaries and food and fuel produced and consumed on farms." -- Statistical Abstract of the United States: 1984 (104th Edition), U.S. Department of Commerce, Bureau of the Census, p. 445.]

2. MR/DD Expenditures for Institutional and Community Services as a Percentage of PERSONAL INCOME, Ranked by State:

a. FY 1977 18
b. FY 1984 19

These two charts, one for FY 1977 and one for FY 1984, utilize the same MR/DD expenditure and the same Personal Income data as were described in Chart #1 preceding. However, here each State's MR/DD Institutional percentage and Community percentage is represented within a sub-divided bar (Institutional percentage on the bottom), and the bars are ranked from highest percentage to lowest over-all Institutional plus Community percentage.

Thus, in FY 1984, North Dakota ranks highest, in spending nearly .35% of Personal Income for Institutional Services; nearly .15% for Community Services; or, a total of nearly .50% of State Total Personal Income for MR/DD Services. Another way of explaining the North Dakota example is: in FY 1984, North Dakota citizens on the average spent 35 cents of each $100 of their personal income on Institutional Services; 15 cents on Community Services; and nearly 50 cents on total MR/DD Services in the State.

(Note: When we make these comparisons, Federal fund sources are included in our MR/DD Expenditure model; therefore, each State's MR/DD expenditure figures include revenue which in fact is contributed in Federal taxes by U.S. citizens as a whole. Therefore, we are representing here the effect of both State and National expenditures on the MR/DD citizens within a given state, for those services which are administered by that State's MR/DD Principal State Agency.)

3. MR/DD Expenditures for Institutional/Community Services as a Percentage of PERSONAL INCOME, Ranked by State: FY 1984 20

Utilizing the same MR/DD expenditure and personal income data as in the charts preceding, this chart indicates how states are ranked in FY 1984 for Institutional and Community Services, respectively, in the expenditure of MR/DD funds as a percentage of personal income. This chart indicates how States may rank differently on institutional or community services, rather than how they rank on over-all MR/DD expenditures.

4. United States Relative Growth of MR/DD Expenditures for Institutional and Community Services as a Percentage of the TOTAL STATE BUDGET: FY 1977 - 1983. 21

The second measure, or scale, by which to compare States' relative expenditures for MR/DD Institutional and Community services is to express these expenditures as a percentage of the Total State Budget. The Total State Budget is measuring the State's total outlay for all services, and represents not only State Funds but also the various Federal funding sources supplementing the State's expenditures.

As with the Personal Income United States Chart, this chart aggregates the MR/DD Institutional and Community Services for the 50 States and the District of Columbia. The Total State Budgets from all states are also aggregated (for D.C., Federal Funds and "own-source" funds are considered). The bottom of this Chart indicates the total values of the aggregated Total State Budgets, expressed both in unadjusted and in adjusted terms.

Source: The source of information for Total State Budget figures is U.S. Department of Commerce, Bureau of the Census, as published in State Government Finances, Table 9,"State Government Expenditure by Type and Function."

5. MR/DD Expenditures for Institutional and Community Services as a Percentage of the TOTAL STATE BUDGET, Ranked by State:

a. FY 1977. 22
b. FY 1983. 23

Utilizing the same MR/DD Expenditure figures and the same Total State Budget figures as utilized in the chart preceding, these two charts, for FY 1977 and for FY 1983, provide rankings of the States in terms of their total annual MR/DD Expenditures as percentages of the corresponding years' Total State Budget figures. The relation of Institutional to Community Services expenditures is indicated by sub-divisions of each state's bar on the graph.

6. MR/DD Expenditures for Institutional/Community Services as a Percentage of the TOTAL STATE BUDGET, Ranked by State: FY 1983. 24

This chart provides the individual rankings for Institutional and for Community Services, respectively, in FY 1983, on the scale: MR/DD Expenditures as a percentage of Total State Budget.

7. United States MR/DD Expenditures for Institutional and Community Services PER CAPITA: FY 1977 - 1984. . . . . .page 25

A third way to scale MR/DD Expenditures for the 50 States and the District of Columbia is to indicate the average expenditure per capita, or per citizen of the general population of each State, and of the Nation as a whole. For example, this United States Chart indicates that, for FY 1984, the 233.8 million citizens of the U.S. each spent an average of $31.55 per year for MR/DD services ($18.29 per year for Institutional Services and $13.25 per year for Community Services). The bottom half of this chart indicates the U.S. General Population for each of the years of our analysis.

Source: The source of information for general population figures in each State is: a) U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population (for FY 77 - 81); b) U.S. Department of Commerce, Bureau of the Census, "Population Estimates and Projections," Current Population Reports, Series P-25, No. 944, January, 1984 (for FY 82 - 84).

8. MR/DD Institutional and Community Services Expenditures PER CAPITA, Ranked by State:

a. FY 1977. . . . . page 26
b. FY 1984. . . . . page 27

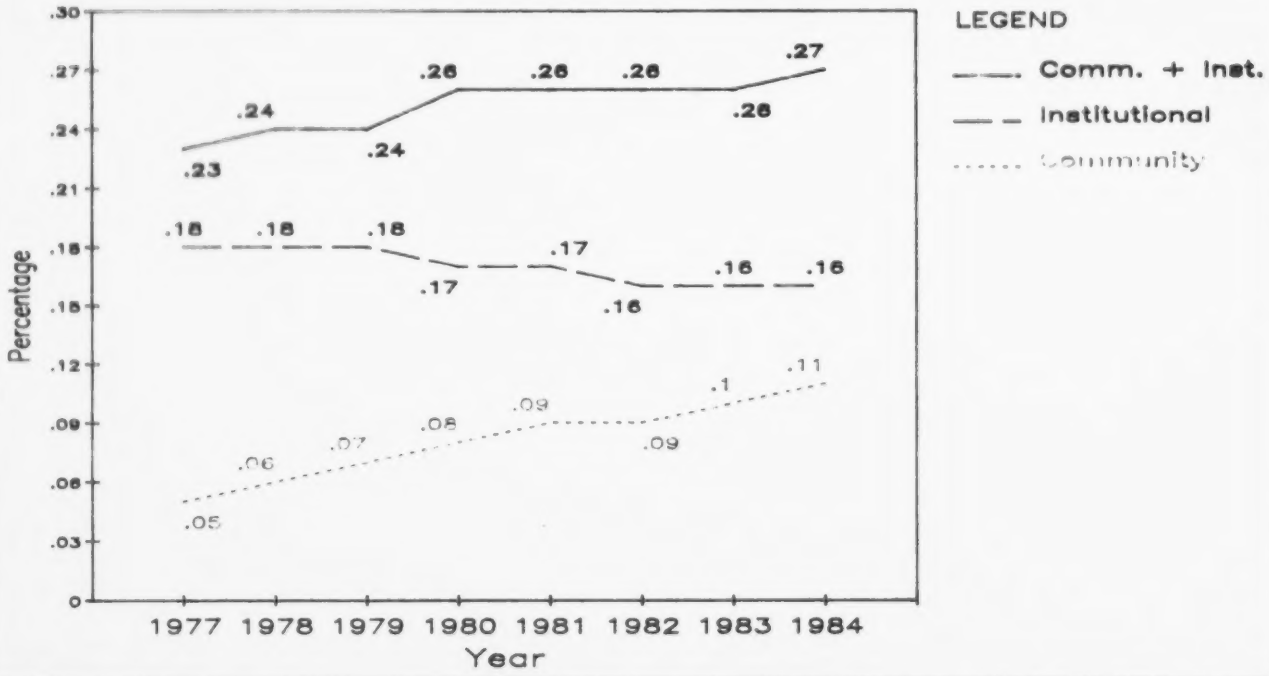
Utilizing the same MR/DD expenditure and General Population figures as described in Chart #7 preceding, these two charts provide FY 1977 and FY 1984 rankings of the states on the scale of MR/DD Expenditures Per Capita. The Institutional Services and Community Services shares of these MR/DD Expenditures are represented by subdivisions of each State's bar on the charts.

9. MR/DD Institutional/Community Services Expenditures PER CAPITA, Ranked by State: FY 1984. . . . . page 28

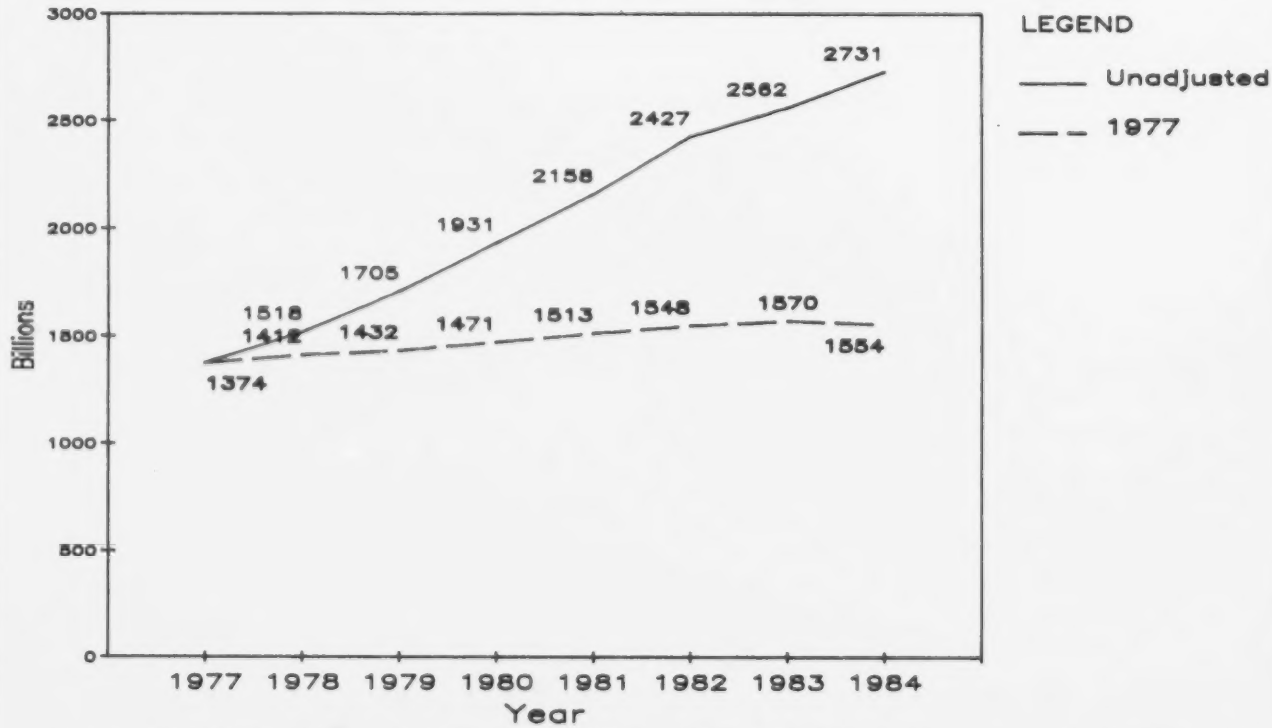
This chart utilizes the same data as in three PER CAPITA charts preceding, but provides, for FY 1984, separate rankings of the States for Institutional Services and for Community Services.

UNITED STATES

MR/DD Expenditures for *Institutional & Community* Services as a Percentage of Personal Income: FY 1977–1984

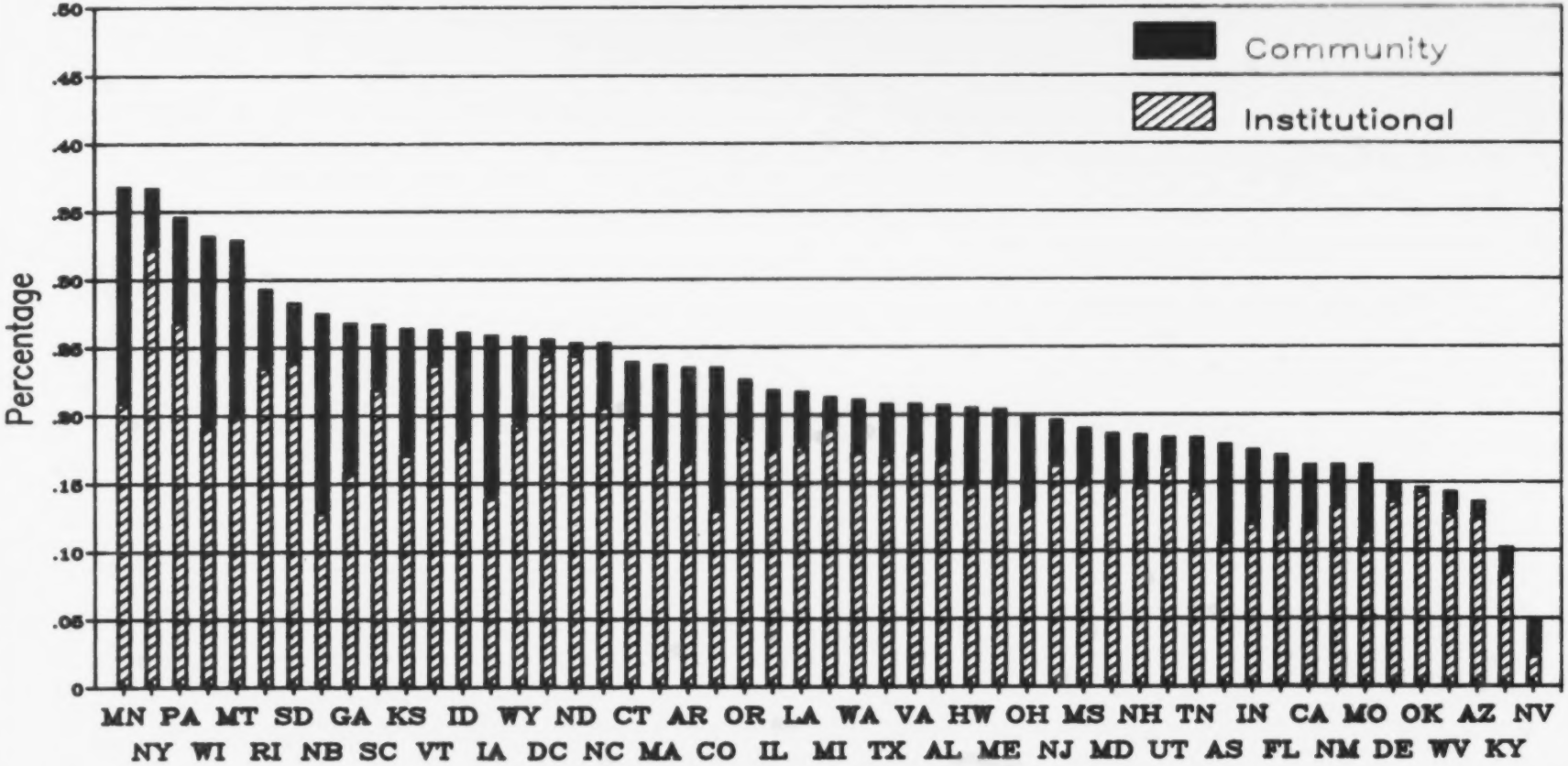


Personal Income Expressed in *Unadjusted* & *1977* Dollars FY 1977–1984



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

UNITED STATES
MR/DD Expenditures for *Institutional & Community** Services as a Percentage of Personal Income, Ranked by State: FY 1977



* Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

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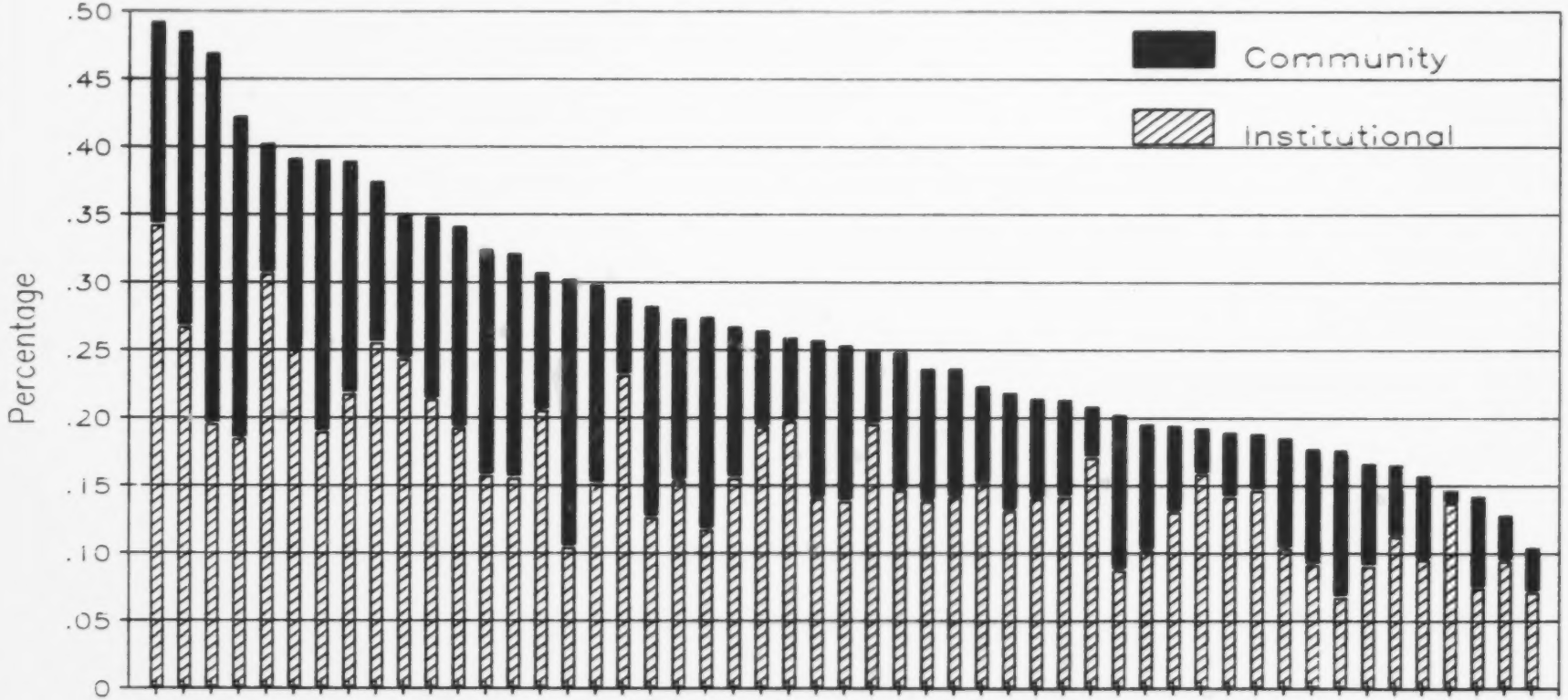
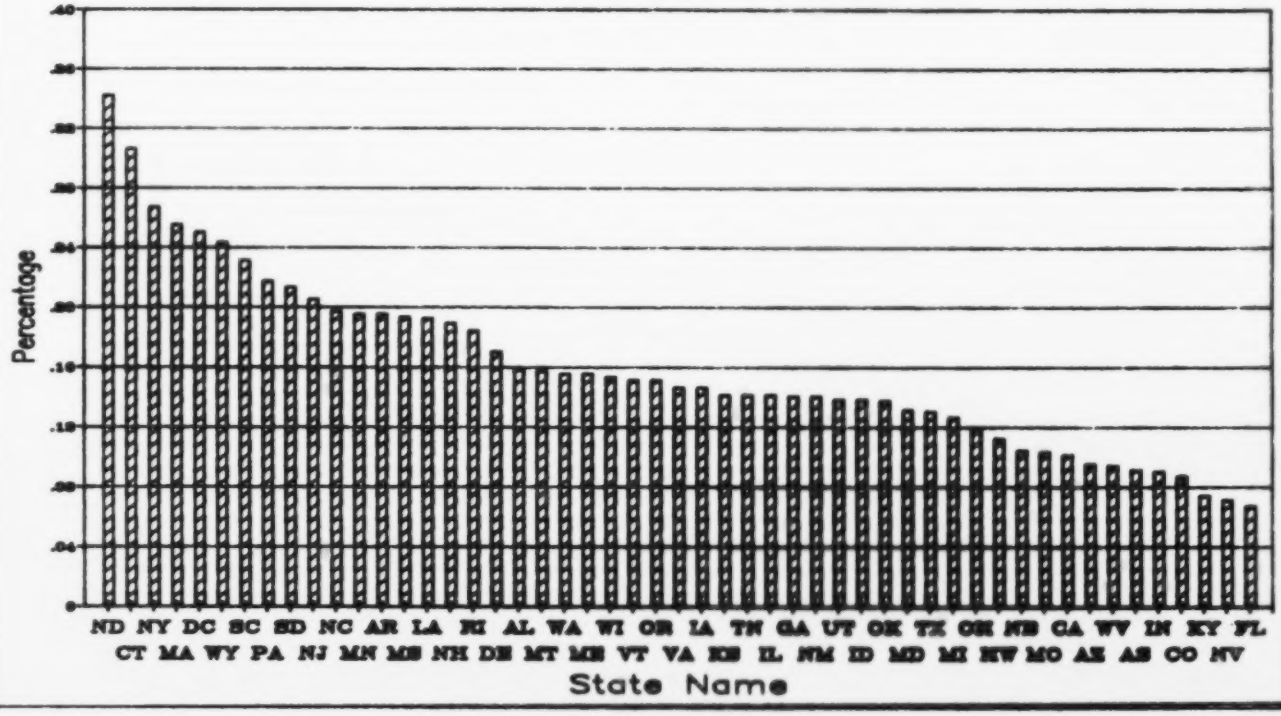
UNITED STATES
MR/DD Expenditures for *Institutional & Community** Services as a Percentage of Personal Income, Ranked by State: FY 1984



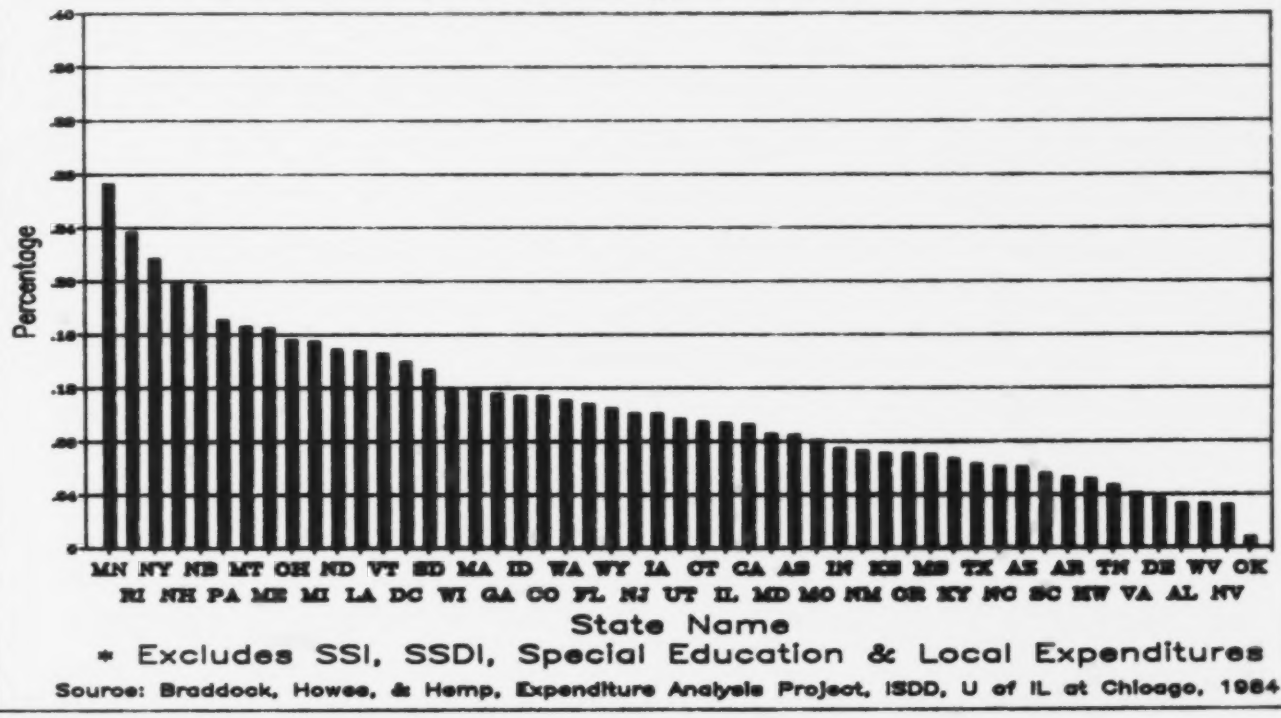
* Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

MR/DD Expenditures for Institutional Services as a Percentage of Personal Income, Ranked by State: FY 1984


Percentage
.40
.36
.32
.28
.24
.20
.16
.12
.08
.04
0
ND NY DC SC SD NC AR LA RI AL WA WI OR IA TN GA UT OK TX OH NE CA WV IN KY FL
CT MA WY PA NJ MN MS NH DE MT ME VT VA KS IL NM ID MD MI NV MO AZ AS CO HV
State Name

MR/DD Expenditures for *Community** Services as a Percentage of Personal Income, Ranked by State: FY 1984

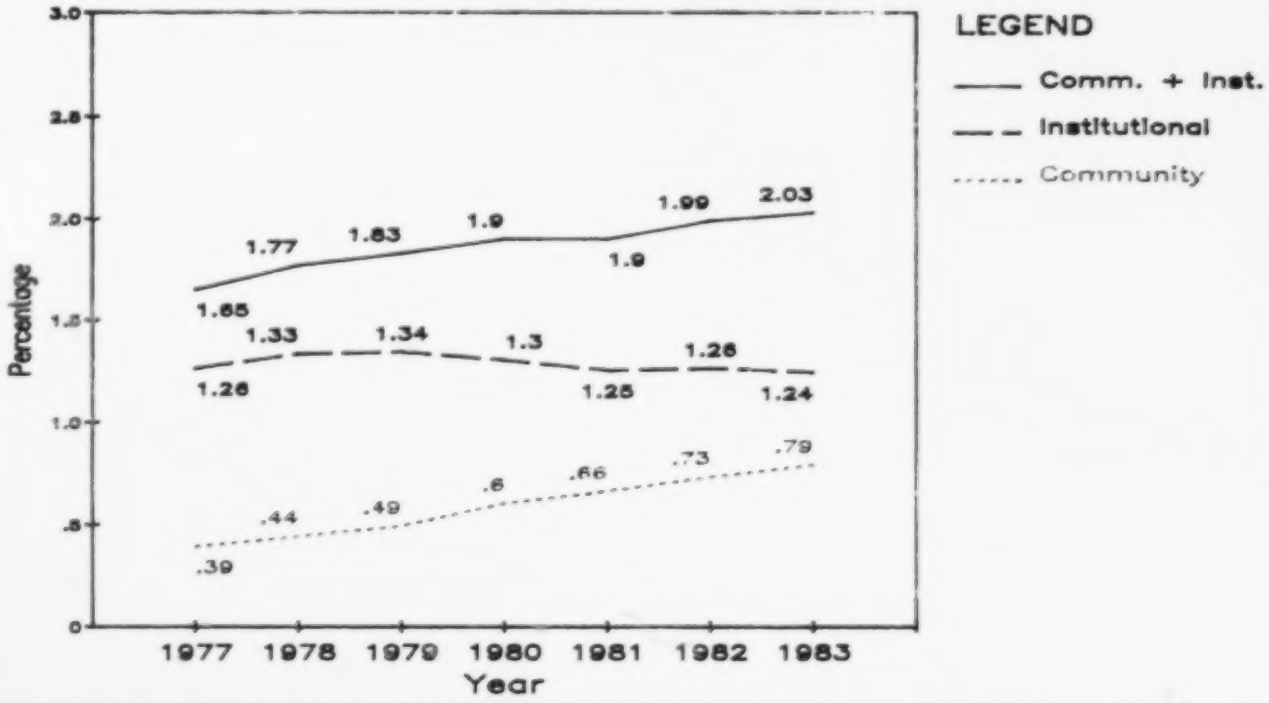

Percentage
.40
.36
.32
.28
.24
.20
.16
.12
.08
.04
0
MN NY NE MT OH ND VT SD MA ID WA WY IA CT CA AS IN KS MS TX AZ AR TN DE WV OK
RI NH PA ME MI LA DC WI GA CO FL NJ UT IL MD MO NM OR KY NC SC NV VA AL HV
State Name

* Excludes SSI, SSDI, Special Education & Local Expenditures

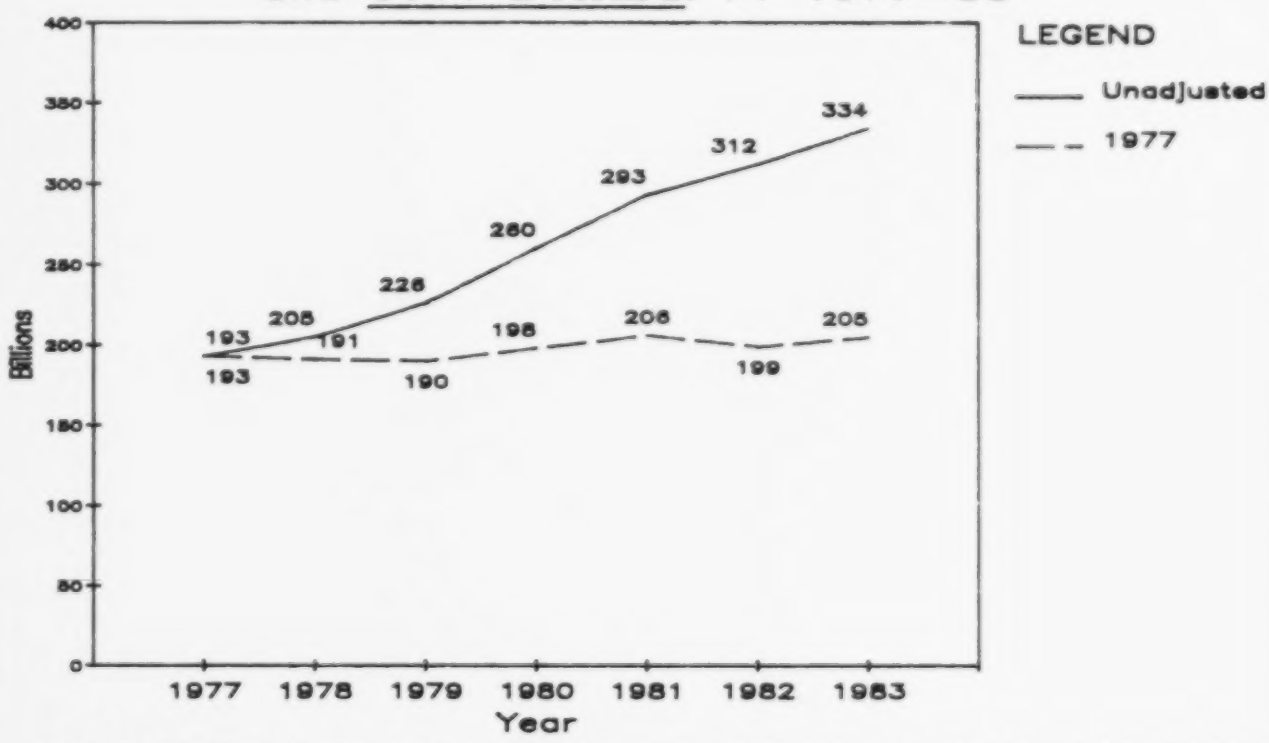
Source: Braddock, Howse, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

UNITED STATES

Relative Growth of MR/DD Expenditures for *Institutional & Community* Services as a Percentage of the Total State Budget: FY 1977–83

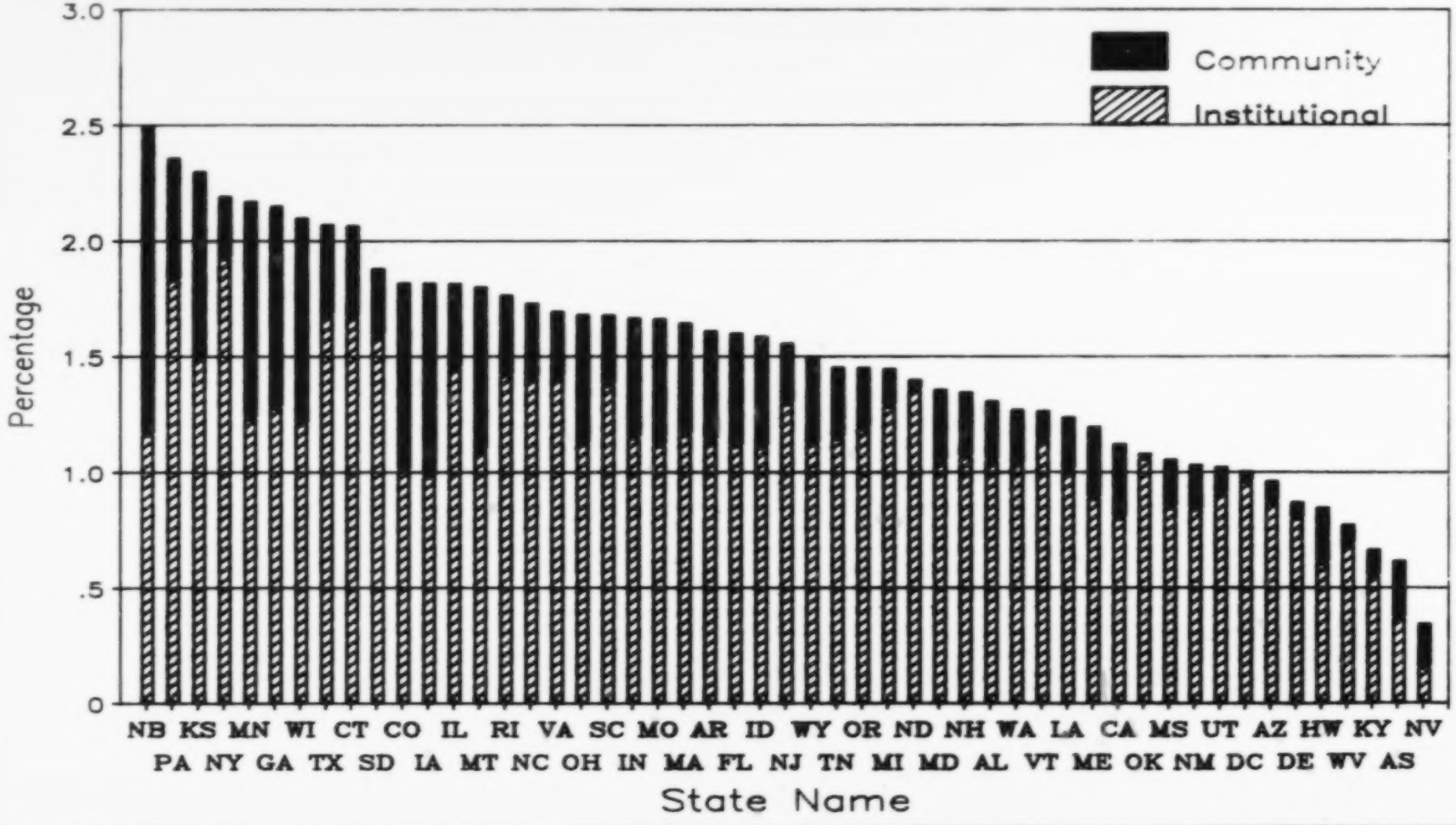


The Total State Budget Expressed in *Unadjusted* and *1977 Dollars*: FY 1977–83



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

MR/DD Expenditures for *Institutional & Community* Services as a Percentage of the Total State Budget, Ranked by State: FY 1977


3.0
2.5
2.0
1.5
1.0
.5
0
Percentage
Community
Institutional
NB KS MN WI CT CO IL RI VA SC MO AR ID WY OR ND NH WA LA CA MS UT AZ HW KY NV
PA NY GA TX SD IA MT NC OH IN MA FL NJ TN MI MD AL VT ME OK NM DC DE WV AS
State Name

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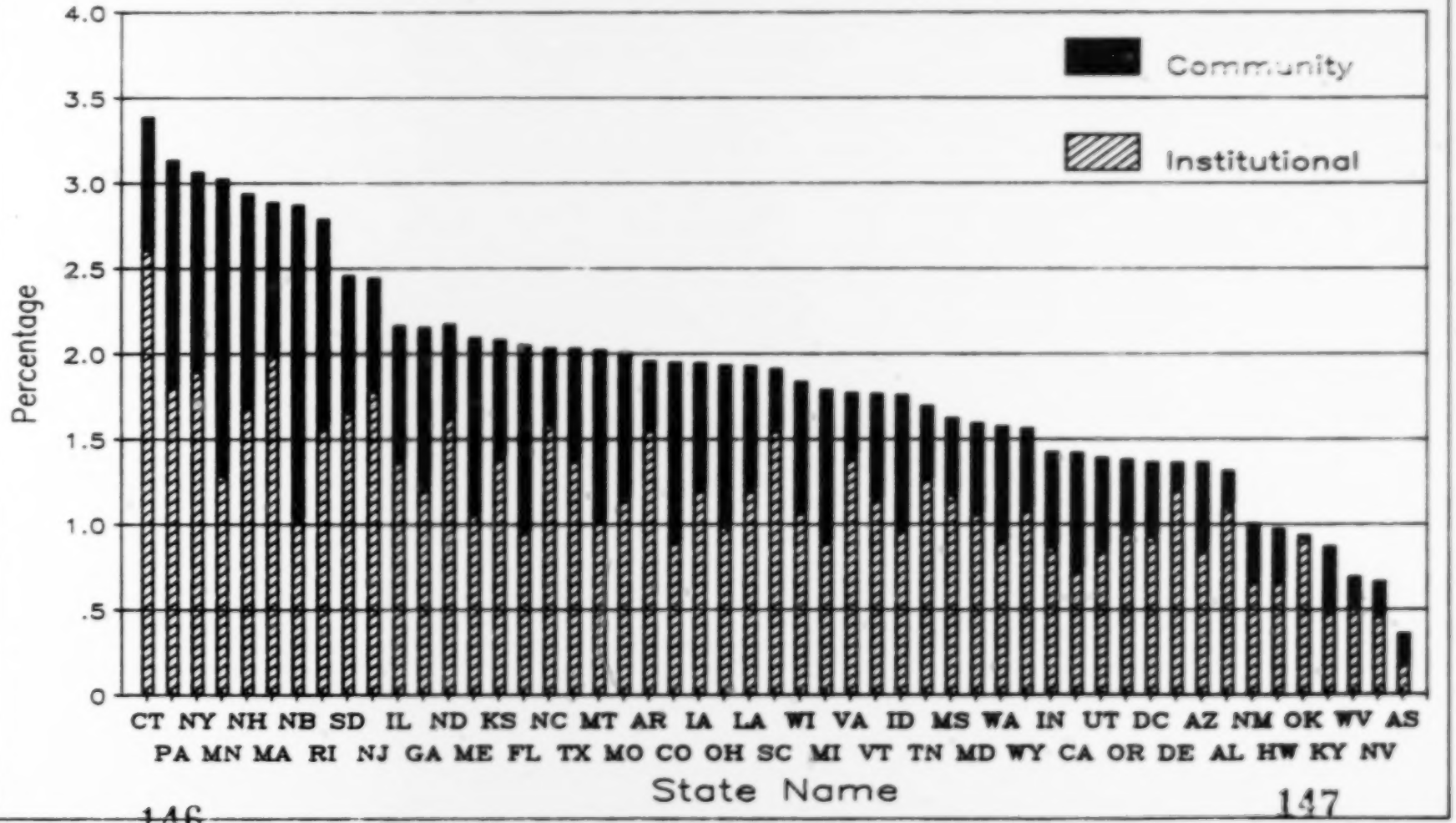
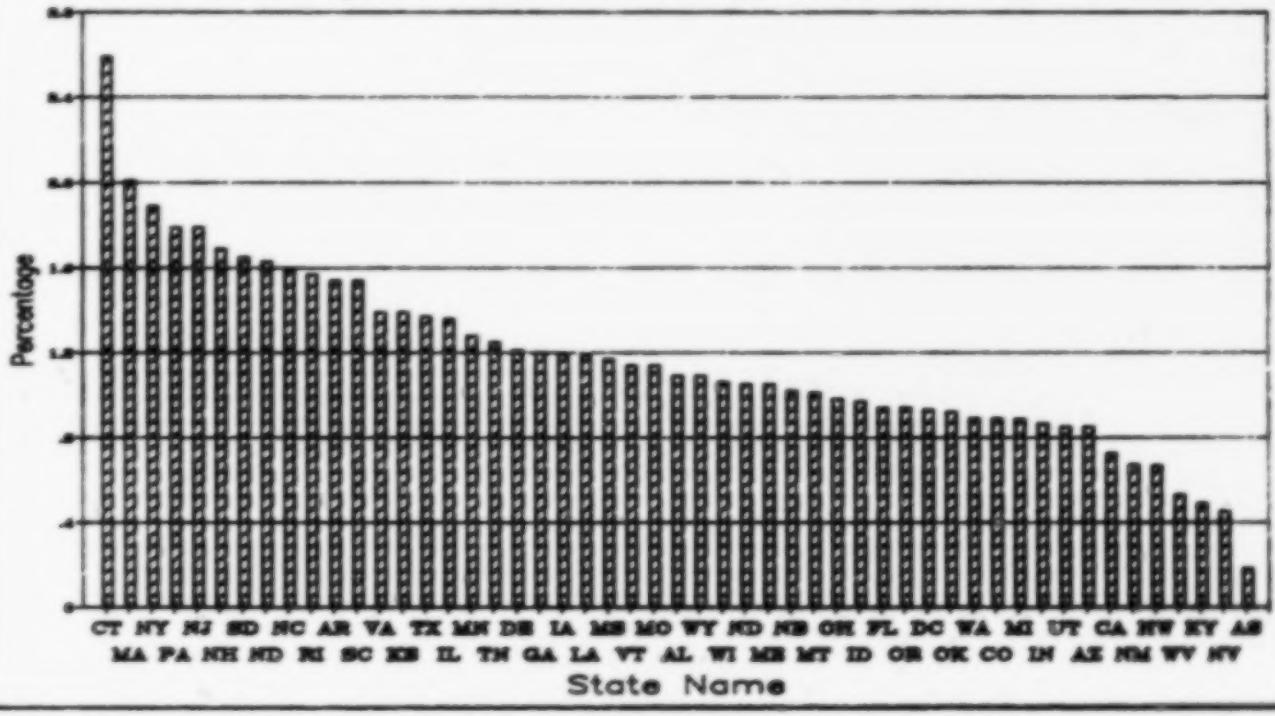
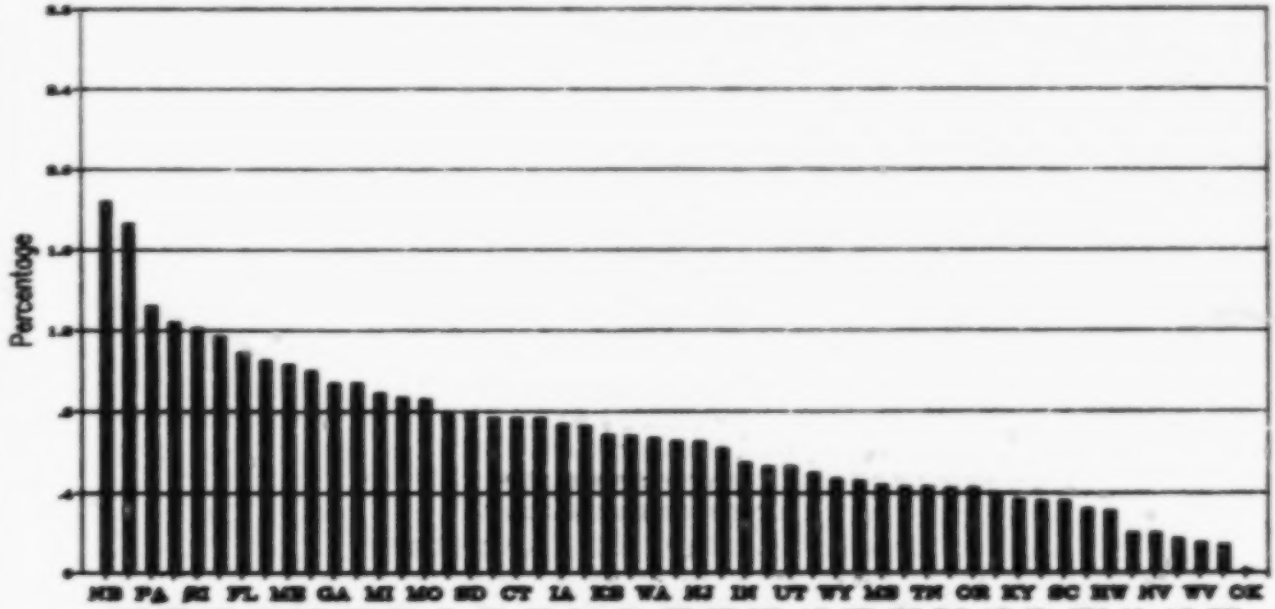
MR/DD Expenditures for *Institutional & Community* Services as a Percentage of the Total State Budget, Ranked by State: FY 1983


4.0
3.5
3.0
2.5
2.0
1.5
1.0
.5
0
Percentage
Community
Institutional
CT NY NH NB SD IL ND KS NC MT AR IA LA WI VA ID MS WA IN UT DC AZ NM OK WV AS
PA MN MA RI NJ GA ME FL TX MO CO OH SC MI VT TN MD WY CA OR DE AL HW KY NV
State Name

MR/DD Expenditures for *Institutional* Services as a Percentage of the Total State Budget, Ranked by State: FY 1983

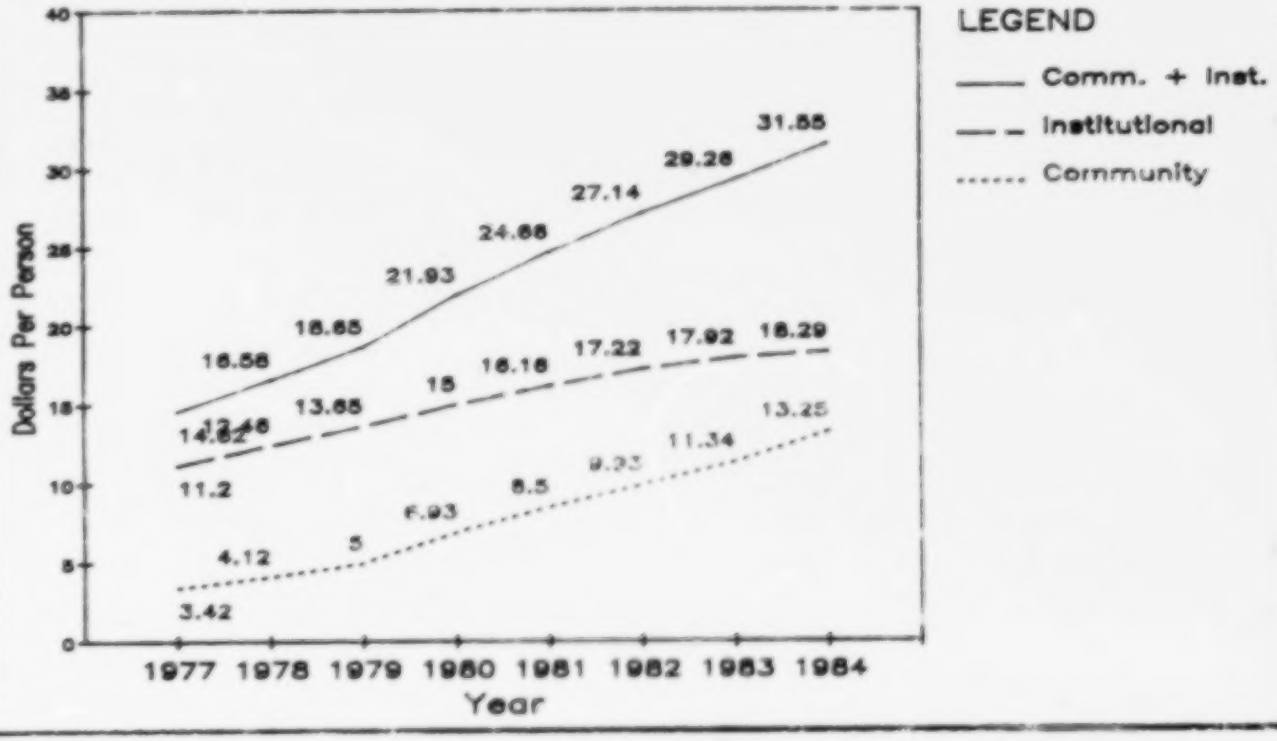

Percentage
CT NY NJ SD NC AR VA TX MN DE IA MS MO WY ND NE OH FL DC WA MI UT CA HW KY AS
MA PA NH MD RI SC KS IL TN GA LA VT AL WI ME MT ID OR OK CO IN AZ NM WV NV
State Name

MR/DD Expenditures for *Community* Services as a Percentage of the Total State Budget, Ranked by State: FY 1983

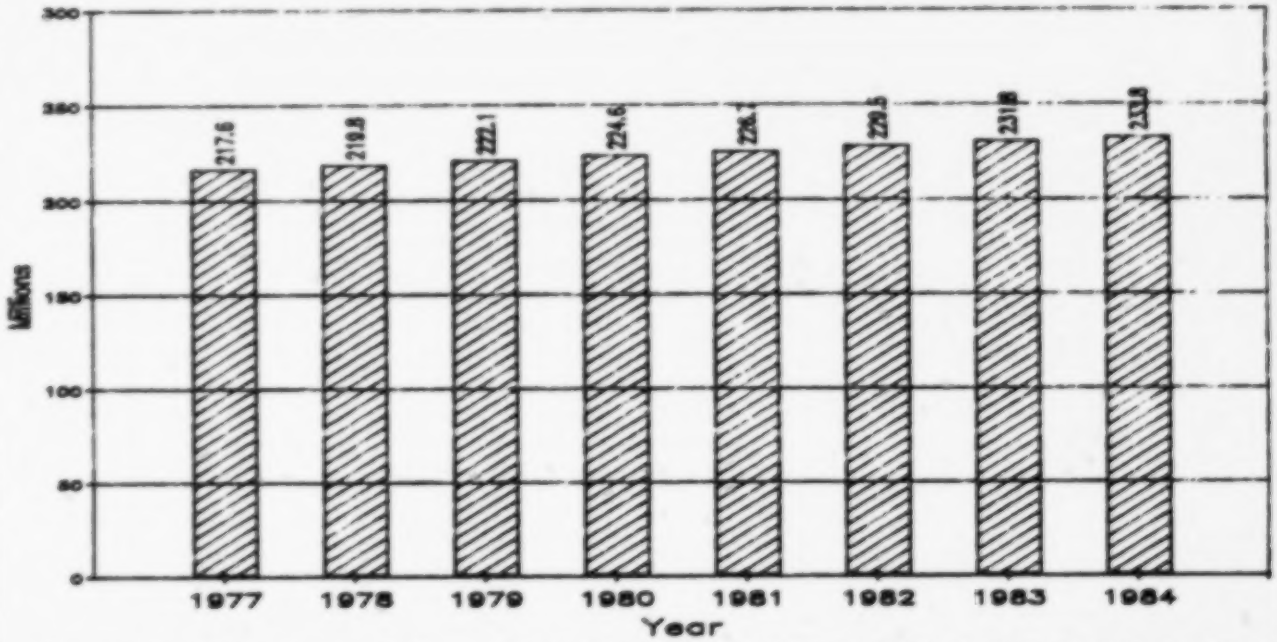

Percentage
NE PA RI FL ME GA MI MO SD CT IA KS WA NJ IN UT WY MS TN OR KY SC HW NV WV OK
MN MH NY CO MT OH MA IL ID WI LA CA TX VT MD AZ ND NC DC AR VA NM AL AS DE
State Name

Soured: Braddock, Howse & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

UNITED STATES
MR/DD Expenditures for *Institutional & Community* Services Per Capita: FY 1977–84

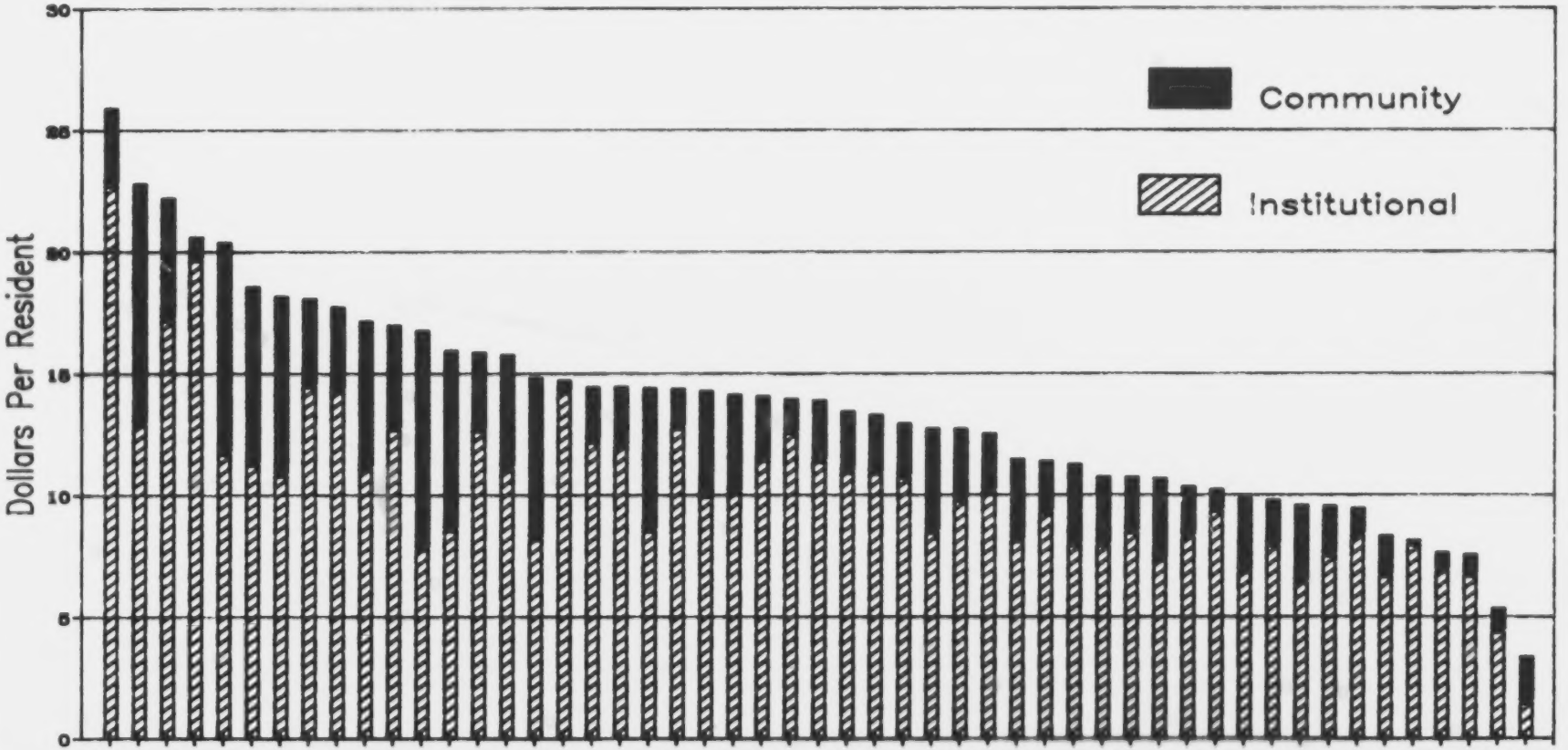


The Total State General Population FY 1977–1984



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984.

MR/DD *Institutional* & *Community** Services Expenditures Per Capita, Ranked by State: FY 1977


30
25
20
15
10
5
0
Dollars Per Resident
Community
Institutional
NY PA WI AS CT WY IA MA ND NJ MI HW VT NC VA MD CA AR NH AL FL MO UT OK WV NV
MN DC MT RI KS NB IL CO SD GA ID WA OR SC OH TX LA ME IN DE NM TN MS AZ KY
State Name

*Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

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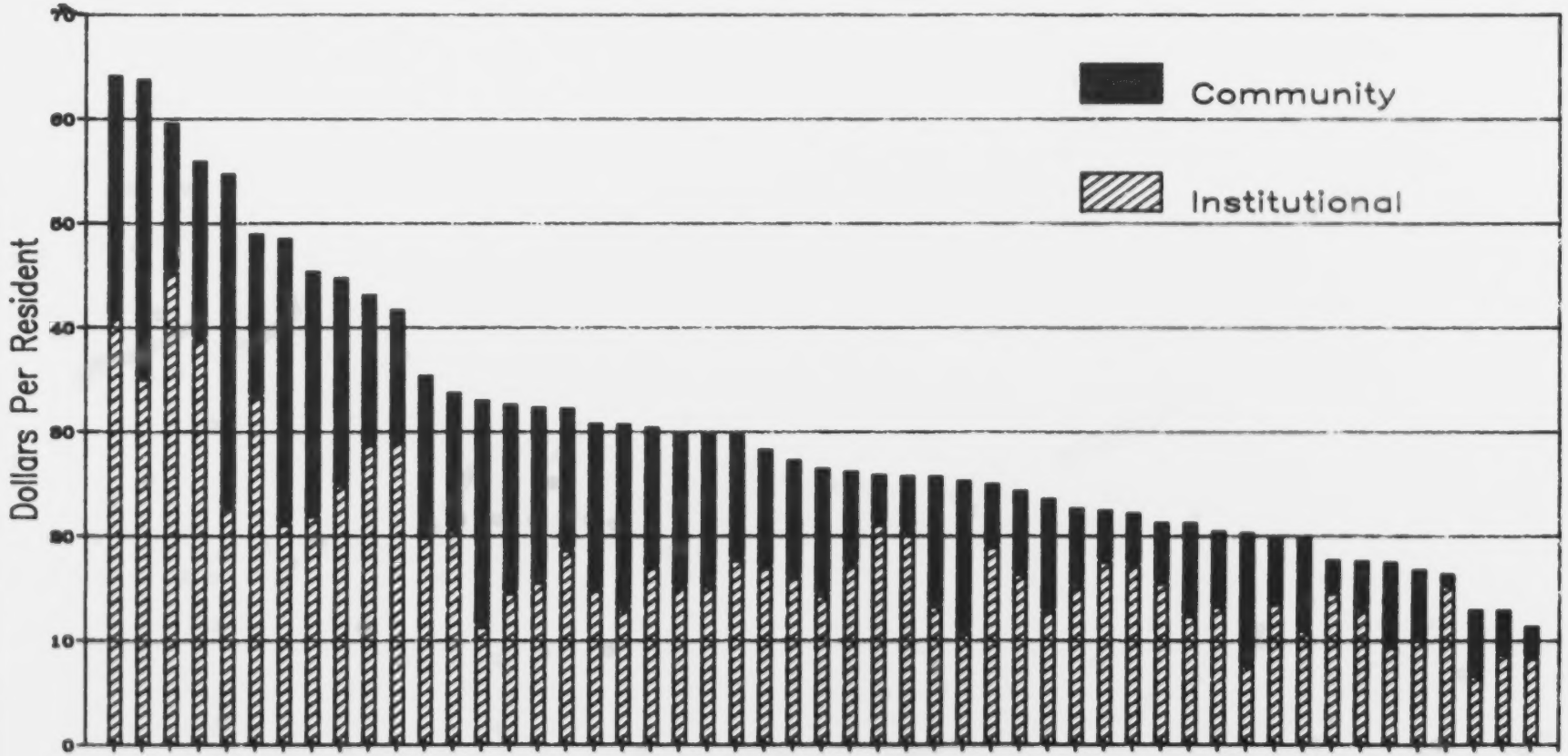
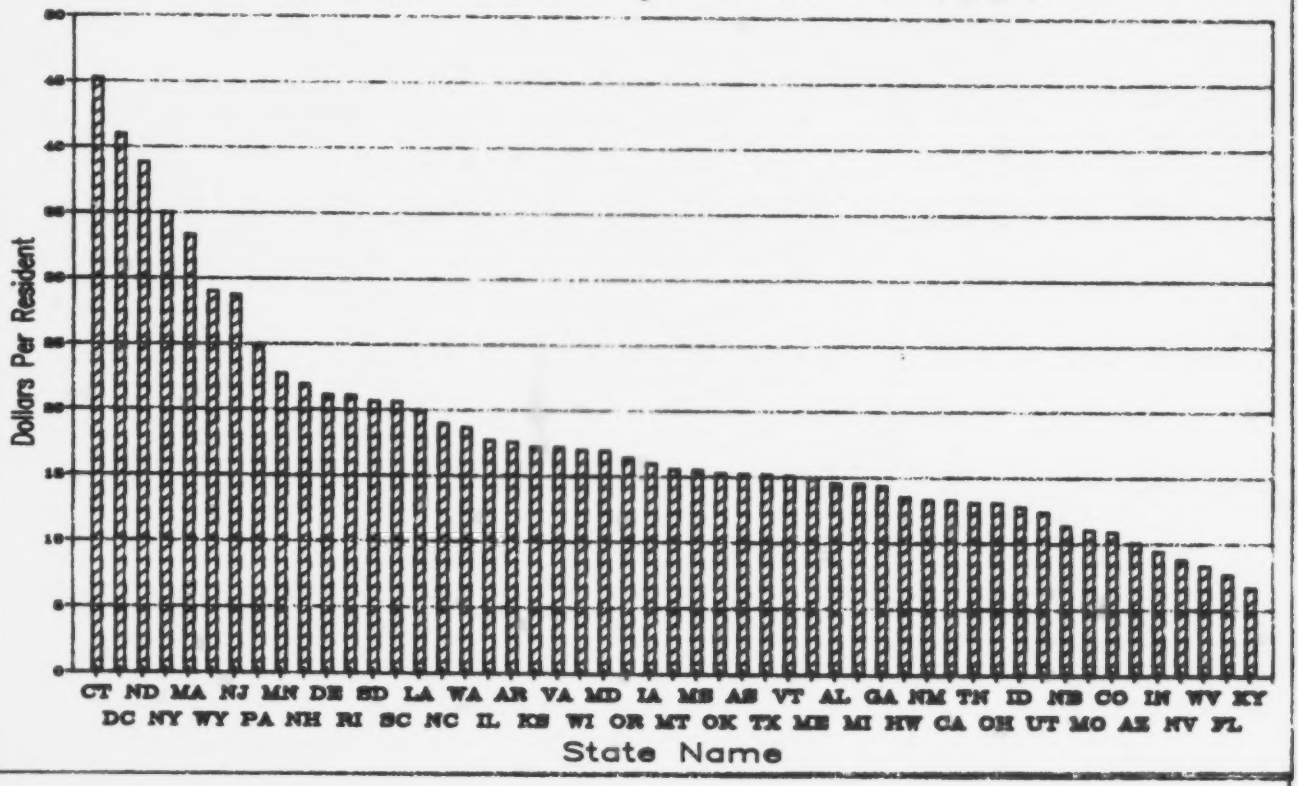
MR/DD *Institutional* & *Community** Services Expenditures Per Capita, Ranked by State: FY 1984


Community
Institutional
Dollars Per Resident
0
10
20
30
40
50
60
70
DC CT MN RI PA WY SD MI WA OH VT IL IA KS SC CO OR TX VA UT FL MO TN AZ KY WV
NY ND MA NH NJ LA NB MT ME WI AS MD GA DE CA NC ID AR MS NM HW AL IN OK NV
State Name

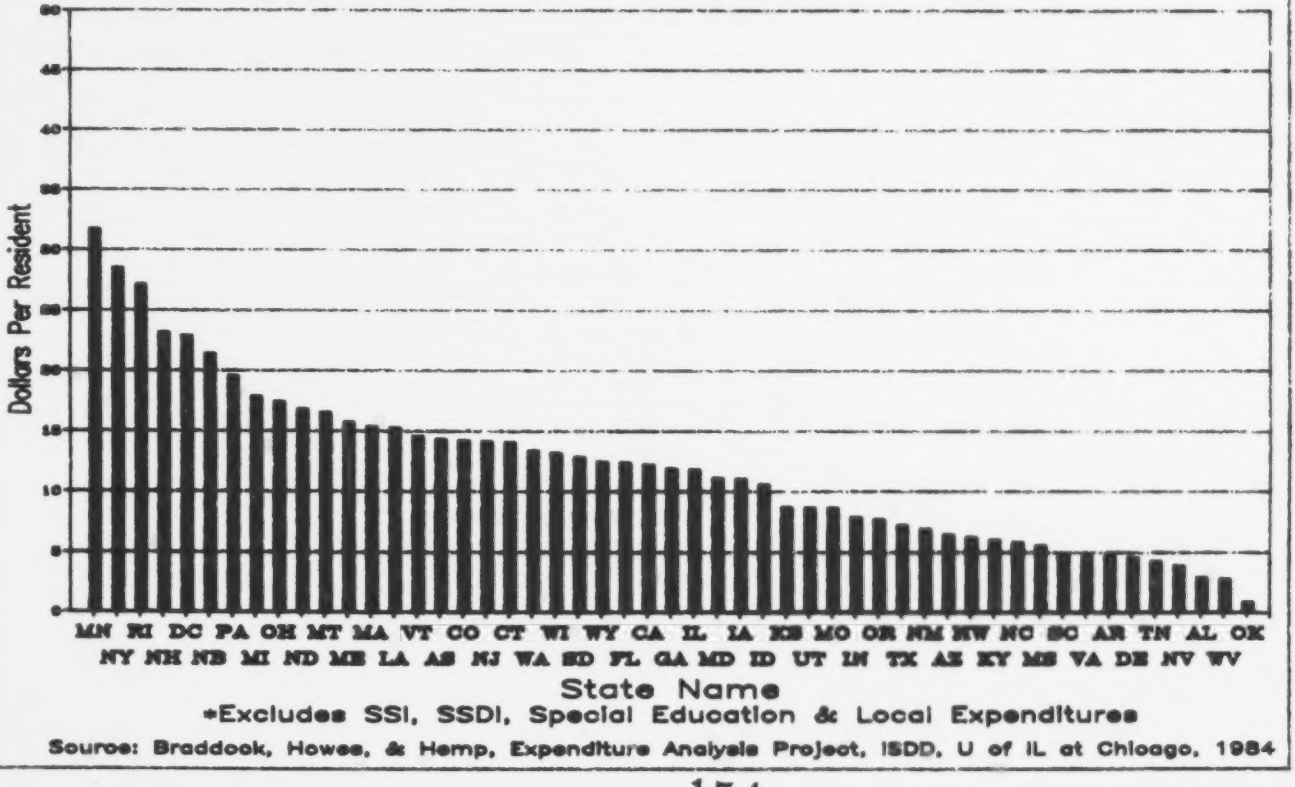
*Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

MR/DD *Institutional* Services Expenditures Per Capita, Ranked by State: FY 1984


Dollars Per Resident
CT ND MA NJ MN DE SD LA WA AR VA MD IA MS AS VT AL GA NM TN ID NB CO IN WV KY
DC NY WY PA NH RI SC NC IL KS WI OR MT OK TX ME MI HW CA OH UT MO AZ NV FL
State Name

MR/DD *Community** Services Expenditures Per Capita, Ranked by State: FY 1984


Dollars Per Resident
MN RI DC PA OH MT MA VT CO CT WI WY CA IL IA KS MO OR NM HW NC SC AR TN AL OK
NY NH NB MI ND ME LA AS NJ WA SD FL GA MD ID UT IN TX AZ KY MS VA DE NV WV
State Name

*Excludes SSI, SSDI, Special Education & Local Expenditures

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

SECTION C.

REVENUE SOURCES FOR MR/DD INSTITUTIONAL SERVICES

1. United States MR/DD Expenditures for Institutional Services: a Comparison of State and Federal Funding: FY 1977 - 1984. . . .page 30

Section C and Section D provide detail on the fund sources for Institutional and Community Services expenditures, respectively. This particular chart for Institutional Services contains the same expenditure data as was presented in the top half of Chart #2 in Section A. However, whereas that chart was a stacked bar chart, this cluster bar chart assists in determining, for each year, the relative contributions of State Funds, Federal ICF/MR Revenue, Federal Title XX/SSBG, and Other Federal Funds. It also assists in tracking the growth of each individual fund source over the eight years of the analysis. The chart provides, in the bottom half, a representation of the expenditure figures in real economic terms.

2. Federal ICF/MR Reimbursements as a Percentage of Total Institutional Services Expenditures: FY 1977 and 1984. . . . .page 31

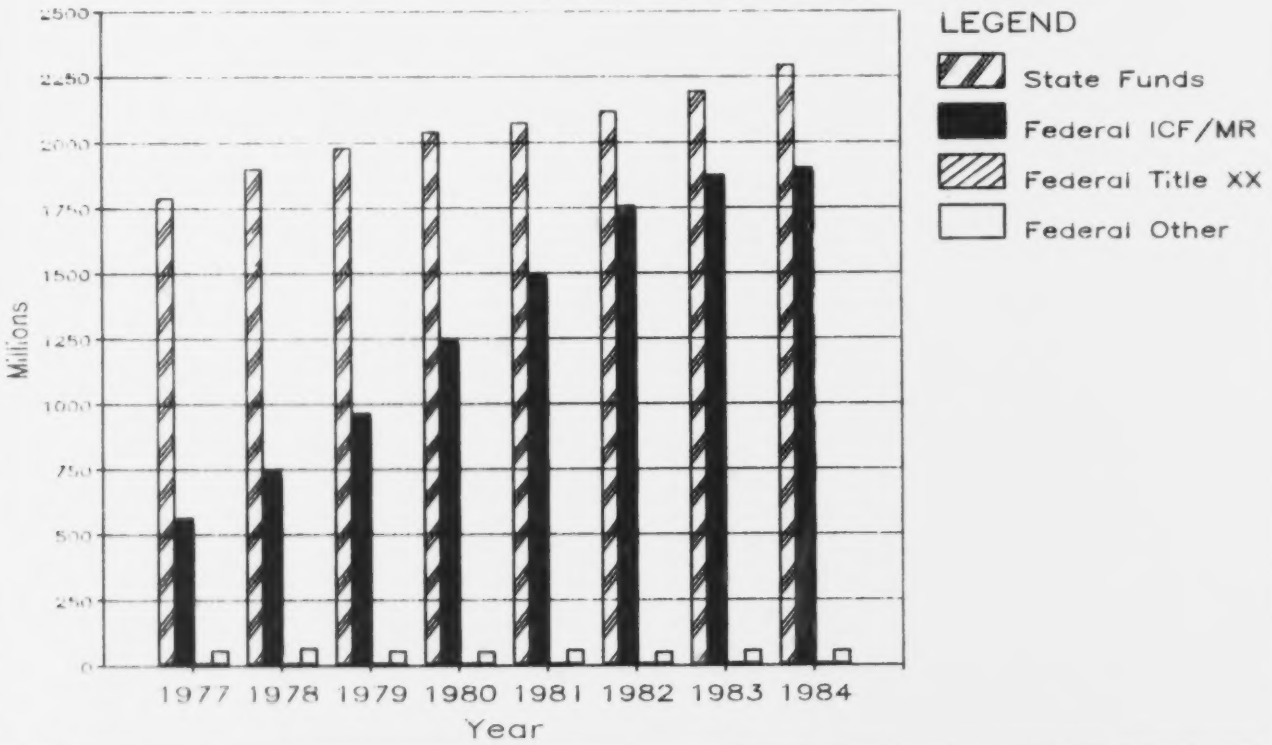
This chart further illustrates the predominant Federal revenue for financing institutional services. It displays the States in terms of their Federal ICF/MR revenue as a percentage of total Institutional Services expenditures for two years: FY 1977 and FY 1984. By placing data for these two years together on one chart, it is possible to compare the relative contributions of Federal ICF/MR revenue in FY 1977 with FY 1984, state by state. The chart also profiles the national utilization of Federal ICF/MR revenues in these two end years of our eight-year analysis period.

3. Cumulative Federal ICF/MR Reimbursements as a Percentage of Institutional Expenditures, Ranked by State: FY 1977-1984. . . . . .page 32

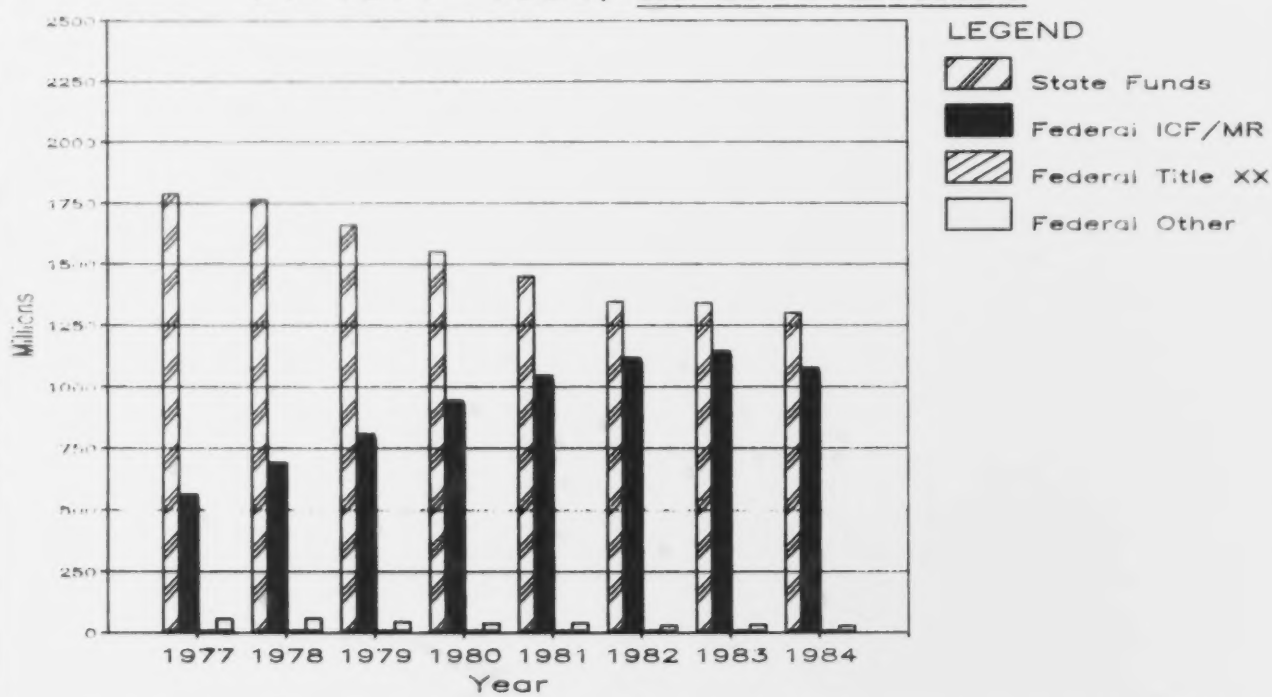
This chart also indicates Federal ICF/MR Revenue as a percentage of total Institutional Services expenditures; however, the cumulative eight-year period is considered. The States are ranked, from highest to lowest, in terms of the percentage of their Institutional expenditures constituted by Federal ICF/MR reimbursements.

UNITED STATES

MR/DD Expenditures for *Institutional* Services: A Comparison of State & Federal Funding FY 1977–1984, *In Unadjusted Dollars*

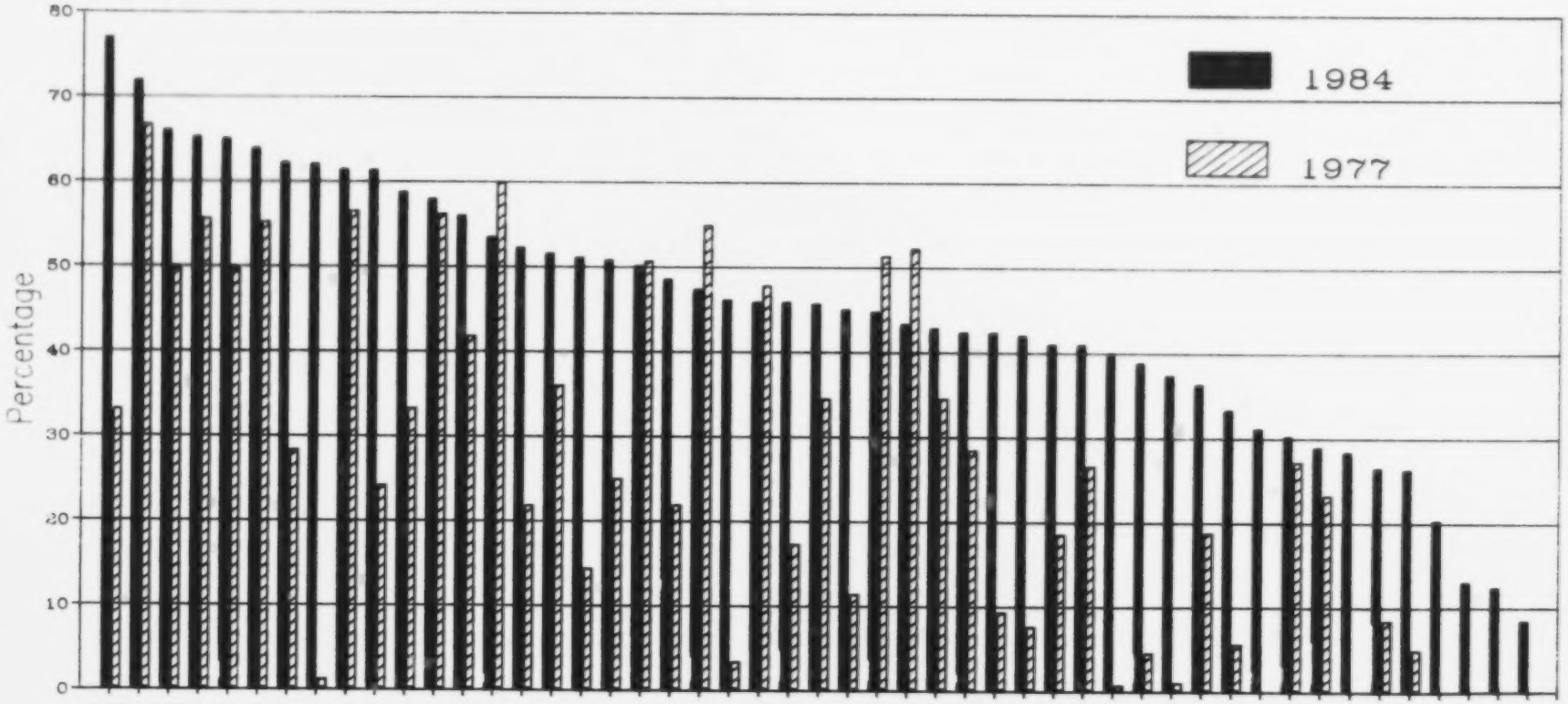


FY 1977–1984, *In 1977 Dollars*



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Federal ICF/MR Reimbursements as a Percentage of Total *Institutional* Services Expenditures, Ranked by State: FY 1977* and 1984**

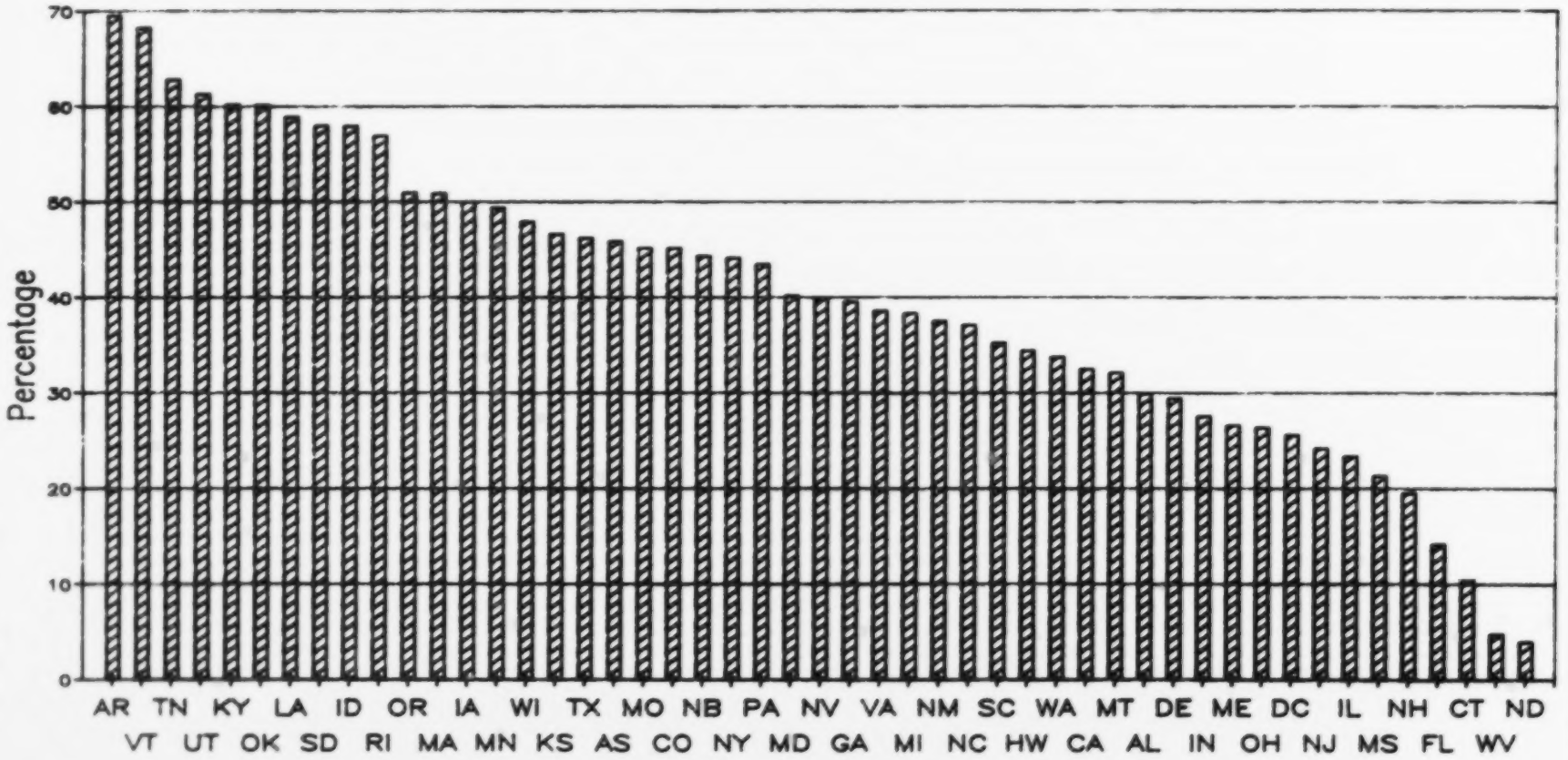

1984
1977
Percentage
0
10
20
30
40
50
60
70
80
VT UT ID MA LA MO OR NY MD IA WI AS NB MN GA OK SC IN WA IL DC NJ FL ND CT
AR TN KY AL SD RI OH TX PA NM NV CO NC KS VA ME CA HW MI DE MT MS NH WV

* 8 States had no ICF/MR Reimbursements in 1977

** Arizona & Wyoming have no ICF/MR Reimbursements in 1984

Source: Braddock, Howes & Hemp. Expenditure Analysis Project, ISDD, U of IL at Chicago.

Cumulative Federal ICF/MR Reimbursements as a Percentage of *Institutional* Expenditures, Ranked by State: FY 1977—1984


Percentage
70
60
50
40
30
20
10
0
AR TN KY LA ID OR IA WI TX MO NB PA NV VA NM SC WA MT DE ME DC IL NH CT ND
VT UT OK SD RI MA MN KS AS CO NY MD GA MI NC HW CA AL IN OH NJ MS FL WV
State Name

Arizona & Wyoming had no Federal ICF/MR Reimbursements

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

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SECTION D

REVENUE SOURCES FOR MR/DD COMMUNITY SERVICES

1. United States MR/DD Expenditures for Community Services: A Comparison of State and Federal Funding: FY 1977 - 1984. .page 35

This chart provides a comparison of the revenue sources for Community Services for each year of the FY 1977 - 84 period. The chart indicates trends over the eight year period in each of the four major funding sources: State Funds; Federal ICF/MR Funds; Federal Title XX/SSBG Funds; and Other Federal Funds. The bottom chart displays the data in real economic terms.

2. Federal ICF/MR Reimbursements as a Percentage of Total Community Services Expenditures: FY 1977 and 1984. . . . . .page 36

This chart compares the States' utilization of Federal ICF/MR Revenue at the beginning (FY 1977) and the end (FY 1984) of this analysis period. As indicated in the Introduction to this Monograph, Community Services Federal ICF/MR Revenue consists of combined reimbursements for: Private ICF/MR Facilities; State-Operated, but Community-based, ICF/MR Group Homes; Title XIX Community Care Waiver Services; and, in instances where these are managed by the Principal State MR/DD Agency, Title XIX Day Programs for MR/DD individuals.

The purpose of the chart is to illustrate the degree to which states were reliant on ICF/MR funding in 1977 for financing community services, and how this may have changed by 1984. The States are ranked according to their FY 1984 Federal ICF/MR percentages; then, their FY 1977 ICF/MR percentages are superimposed on this ranking.

3. Cumulative Federal ICF/MR Reimbursements as a Percentage of Community Services Expenditures, Ranked by State: FY 1977 - 1984. . . . . page 37

This chart depicts cumulative eight year total ICF/MR reimbursements as a percentage of total cumulative MR/DD Community Services spending in each State. The States are ranked, from highest to lowest, in terms of this percentage.

APPENDIX

4. Federal Title XX/SSBG Reimbursements as a Percentage of Total Community Services Expenditures: FY 1977 and 1984. . . . . .page 38

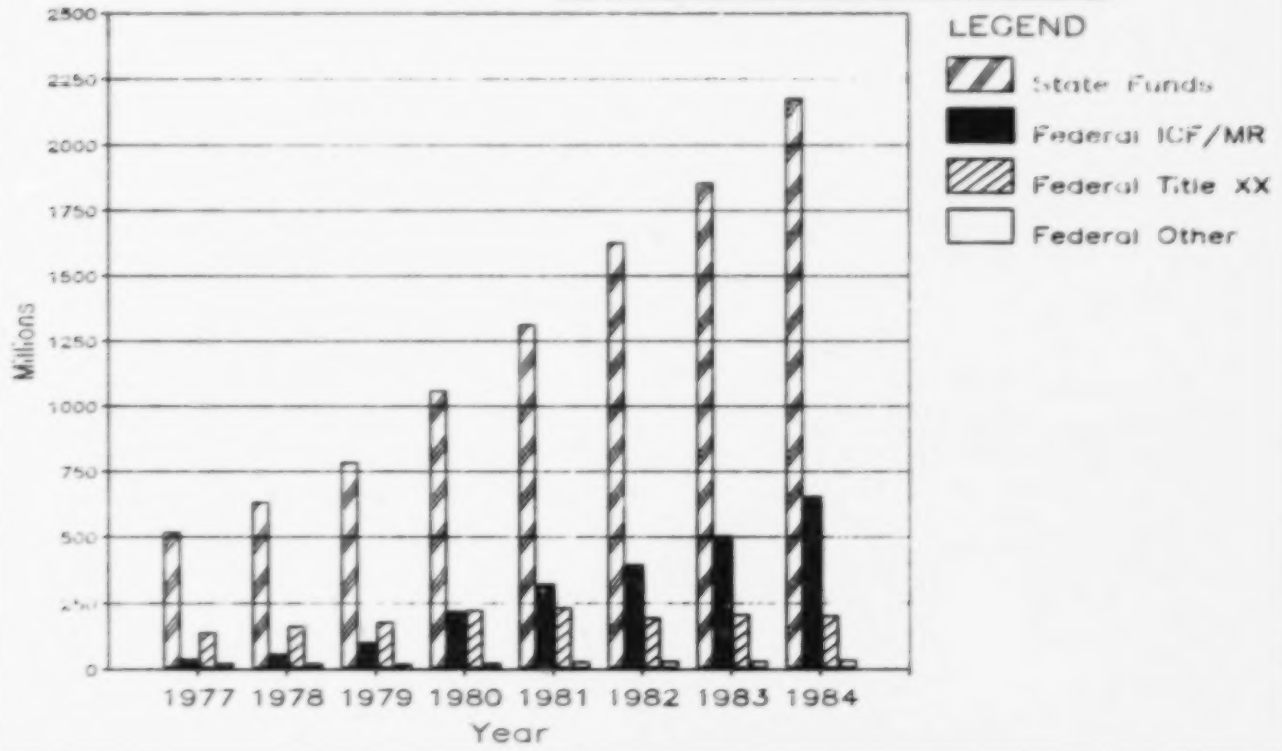
This chart presents detail on Title XX/Social Services Block Grant Reimbursements for MR/DD Community Services. The States are ranked, highest to lowest, according to the FY 1977 percentage of total community services funding constituted by Title XX/SSBG funds. Then, the States' ranking in FY 1984 is superimposed, for a comparison of the two years.

5. Cumulative Federal Title XX/SSBG Reimbursements as a Percentage of Community Expenditures, Ranked by State: FY 1977 - 1984. . . . . page 39

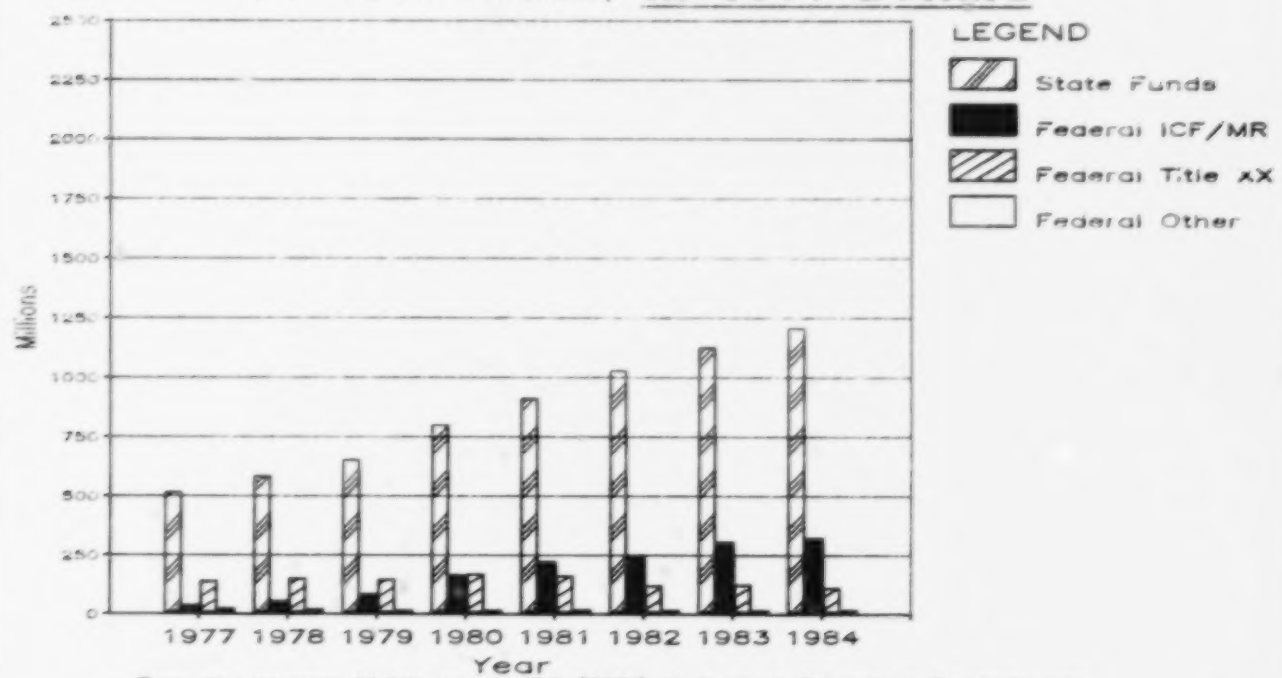
This chart presents the state-by-state Title XX/SSBG revenue for the entire eight year period of this analysis; states are ranked from highest to lowest in terms of the percentage which cumulative Title XX/SSBG revenue represented, out of total (all fund sources) spending for community services.

UNITED STATES

MR/DD Expenditures for *Community** Services: A Comparison of State & Federal Funding FY 1977–1984, *In Unadjusted Dollars*



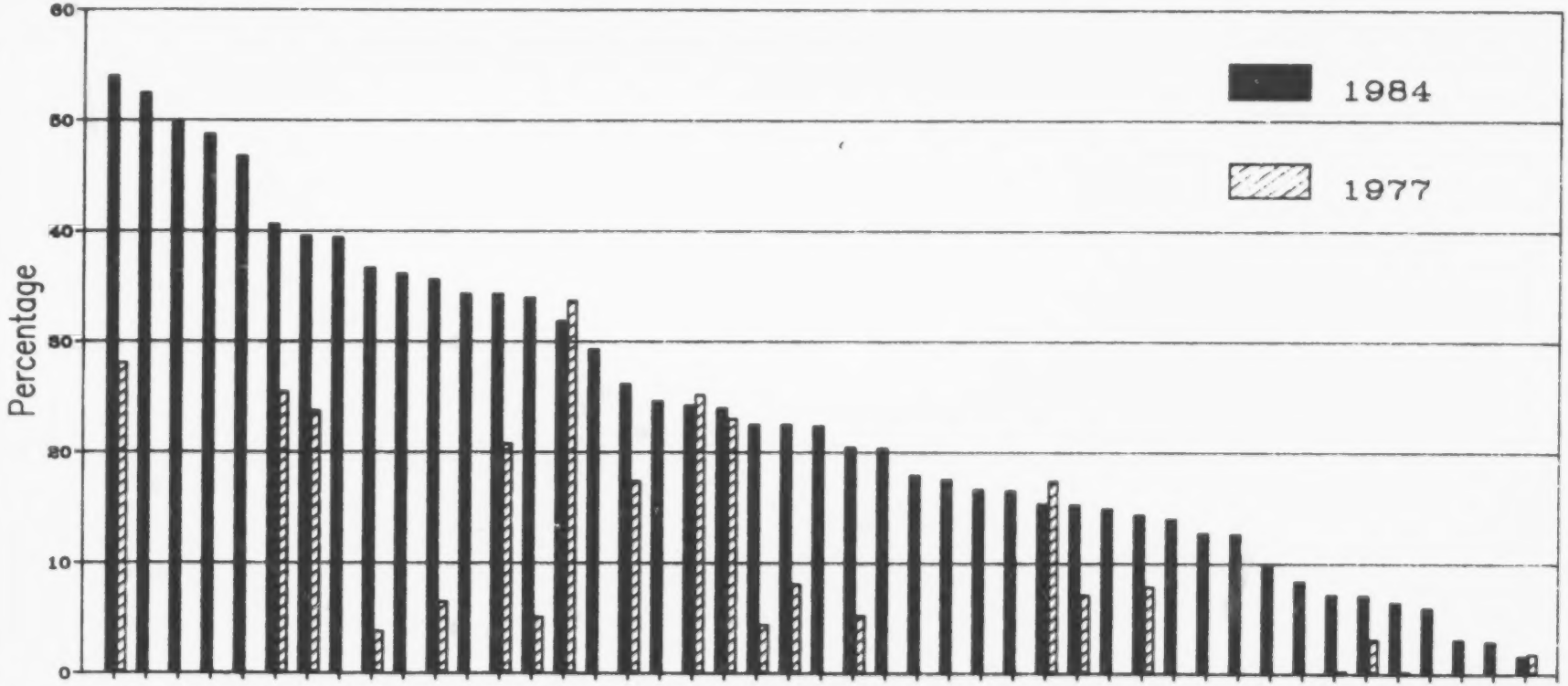
FY 1977–1984, *In 1977 Dollars*



* Excludes Income Maintenance (SSI/SSDI) & Special Education Expenditures

Source: Braddock, Howes, & Hemp. Expenditure Analysis Project. ISDD, U of IL at Chicago. 1984

Federal ICF/MR Reimbursements as a Percentage of Total *Community* Services Expenditures, Ranked by State: FY 1977* and 1984**

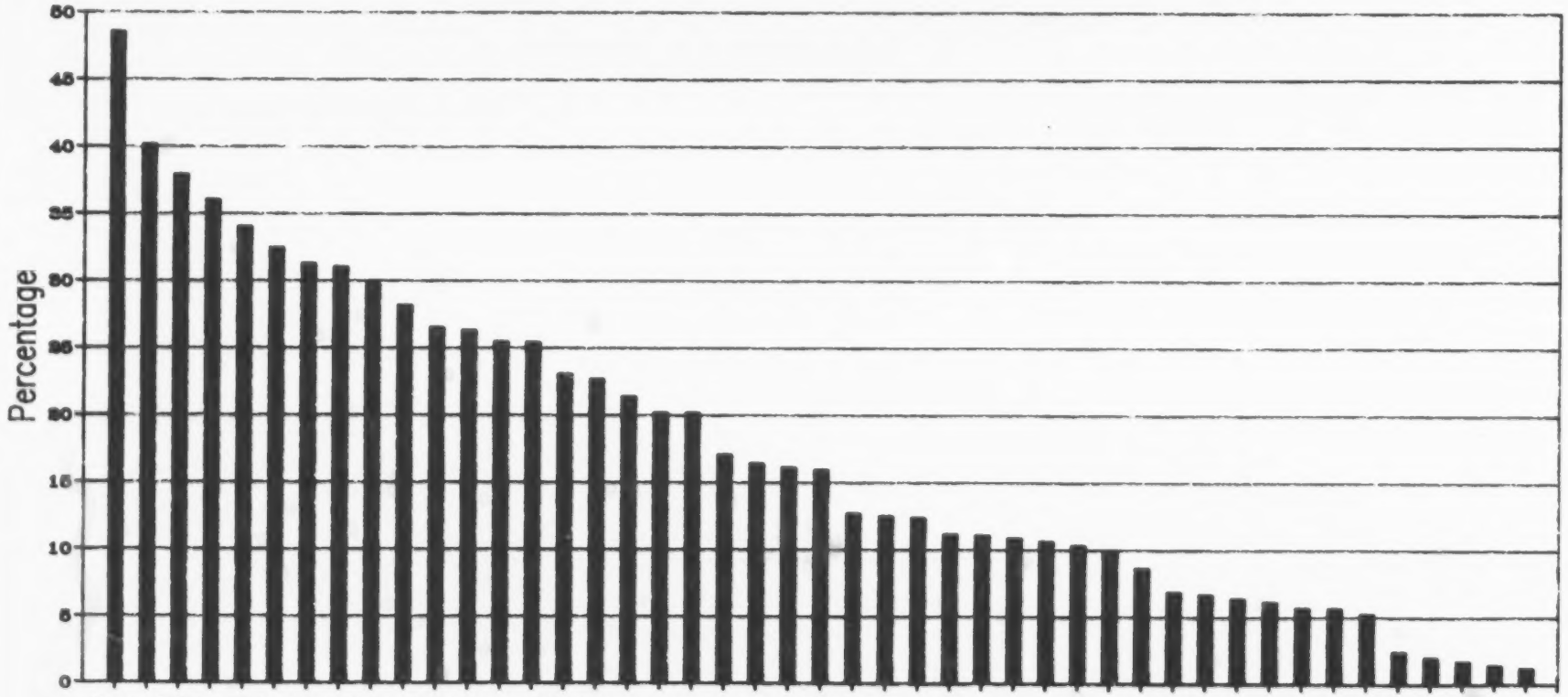

60
50
40
30
20
10
0
Percentage
1984
1977
LA NJ UT MN RI SC TX OR CO KS ID NY CT MI DC NB TN IL NM NH MT MA GA
KY SD MS VT AL ME FL WA DE WI NV OK IA NC AS ND PA IN CA VA MD MO

* 30 States had no ICF/MR Reimbursements in 1977

** 6 States had no ICF/MR Reimbursements in 1984

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago.

Cumulative Federal ICF/MR Reimbursements as a Percentage of *Community* Services Expenditures, Ranked by State: FY 1977—1984



6 States had no Federal ICF/MR Reimbursements

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

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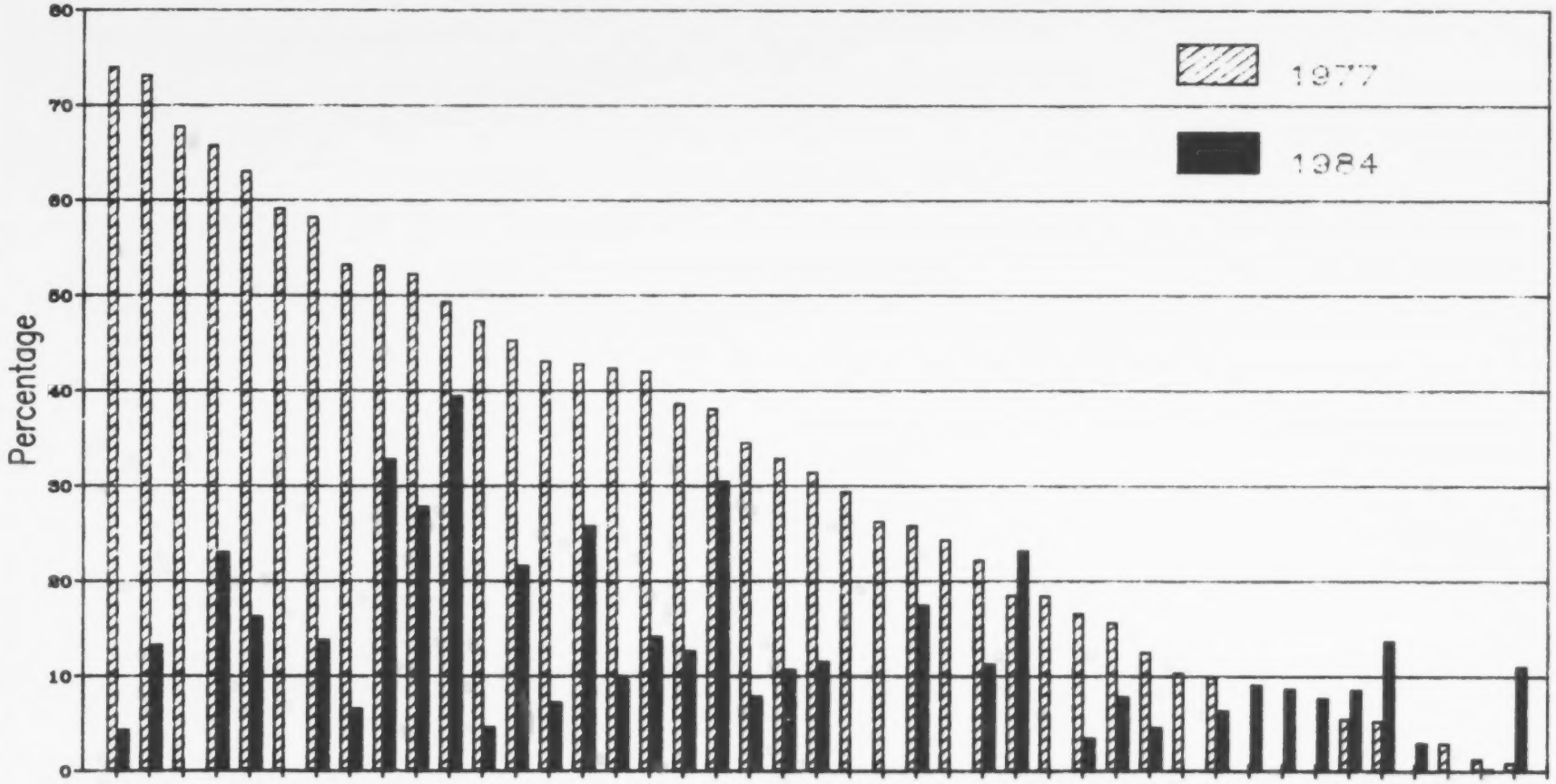
Federal Title XX/SSBG Reimbursements as a Percentage of Total *Community* Expenditures, by State, FY 1977* & FY 1984**

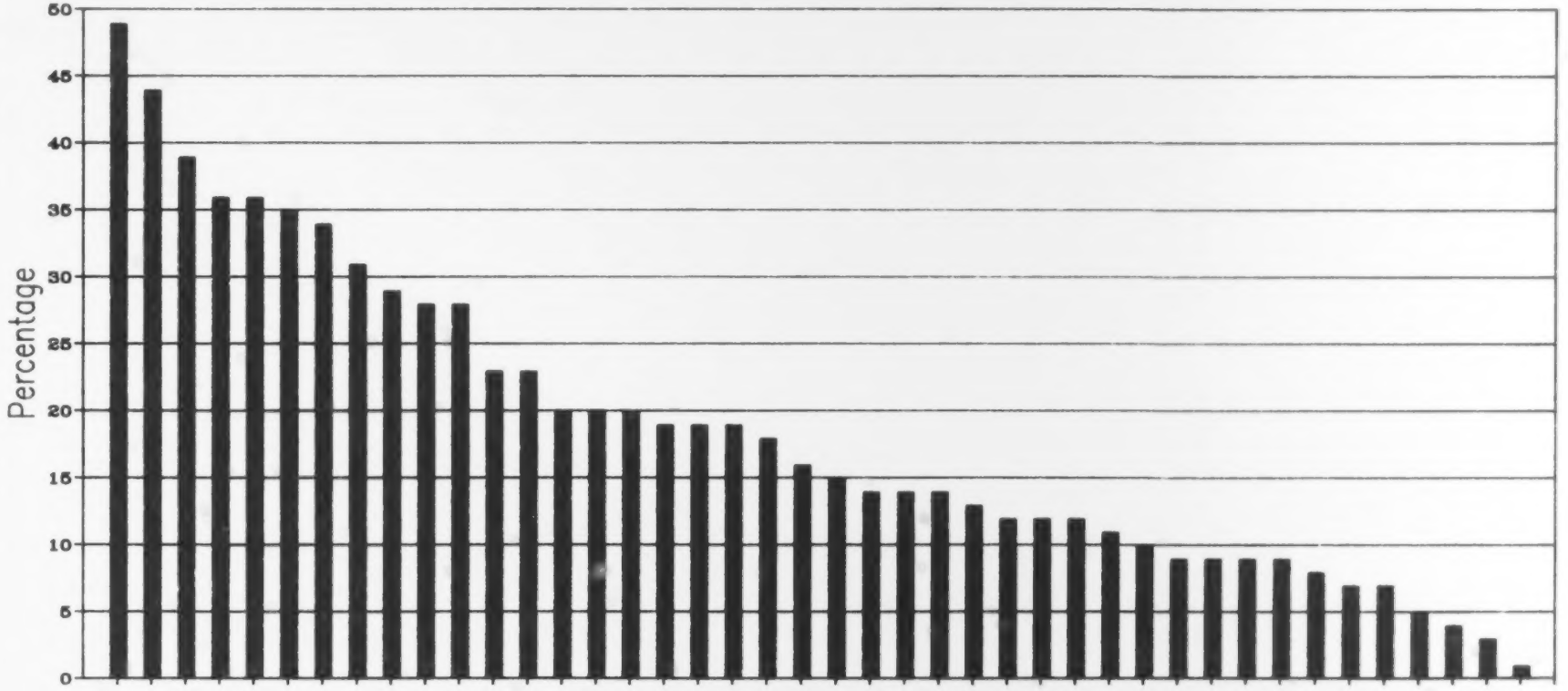


* 11 States & D.C. had no Title XX Reimbursements in 1977.

** 15 States & D.C. had no Title XX Reimbursements in 1984.

Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago.

Cumulative Federal Title XX/Block Grant Reimbursements as a Percentage of *Community* Expenditures by State: FY 1977—1984



8 States & D.C. had no Title XX/Block Grant Reimbursements

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

SECTION E

COMPARATIVE UTILIZATION OF FEDERAL ICF/MR REIMBURSEMENTS IN INSTITUTIONAL AND COMMUNITY SETTINGS

1. United States Cumulative Federal ICF/MR Reimbursements in Institutional and Community Settings: FY 1977 - 1984. . . . page 42

The charts in Section E demonstrate the comparative contributions of the Federal ICF/MR Program to Institutional Services and to Community Services. This first chart indicates, for cumulative eight-year total reimbusements under the ICF/MR program, the relative percentages for Institutional (81.8%) and for Community (18.2%) Services. Total reimbursements from the program amounted to $12.9 Billion in the eight-year period.

2. United States Comparative Federal Institutional and Community Services Reimbursements for the ICF/MR Program: FY 1977-1984. . . . . page 43

This chart demonstrates the year by year comparison of Institutional and Community Services reimbursements under the Federal ICF/MR program. The top half of the chart is in unadjusted dollars, while the bottom half demonstrates the eight years of reimbursements in constant dollar terms.

3. Federal ICF/MR Reimbursements as a Percentage of Total Institutional/Community Services Expenditures, Ranked by State: FY 1977. . . . . page 44

For FY 1977, the States' Federal ICF/MR Reimbursements received, expressed as percentages of Institutional Services (top chart) and Community Services (bottom chart), are presented. The States are ranked highest to lowest by these percentages.

4. Federal ICF/MR Reimbursements as a Percentage of Total Institutional/Community Services Expenditures, Ranked by State: FY 1984. . . . . .page 45

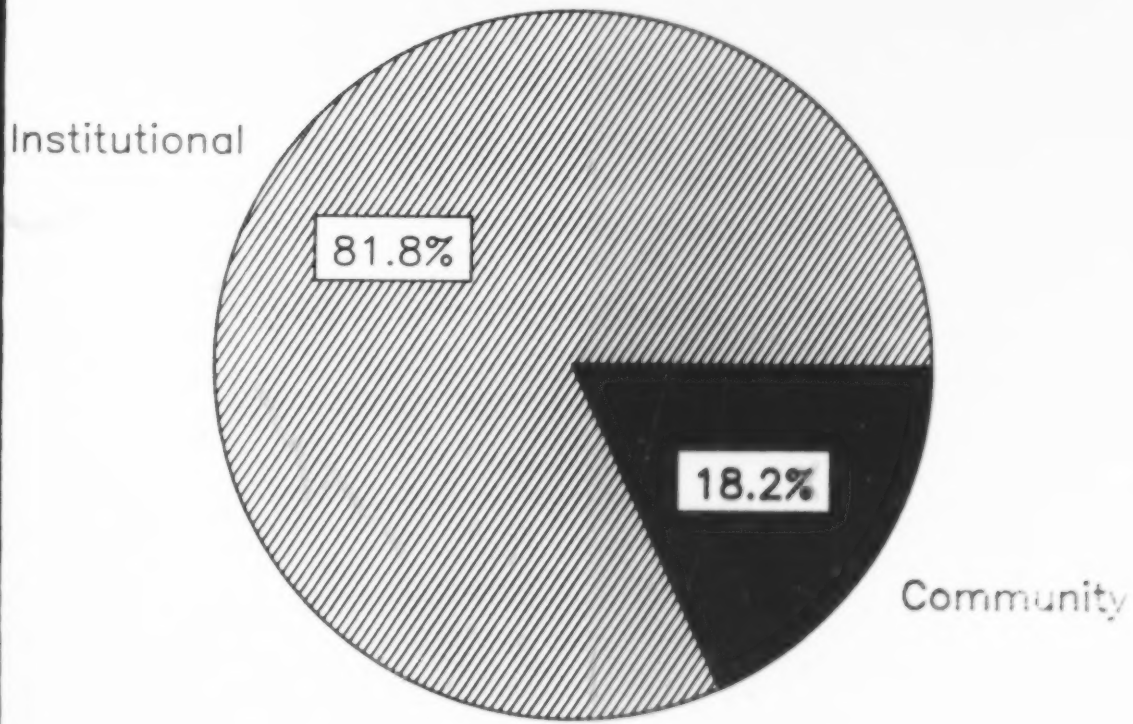
This chart repeats the format from the chart immediately preceding, but for FY 1984. Again, States are ranked from highest to lowest based on the Federal ICF/MR percentage of total Institutional Services expenditures.

5. United States; The Growth of Federal ICF/MR Reimbursements as a Percentage of Total State-Federal Expenditures for Institutional/Community Services: FY 1977-1984. . . . . page 46

Two line charts represent Federal ICF/MR reimbursement percentages for each year. The Federal ICF/MR percentage of Institutional Services is displayed on the top chart; the Federal ICF/MR percentage of Community Services expenditures is presented on the bottom chart.

UNITED STATES

Cumulative Federal ICF/MR Reimbursements In
Institutional & ***Community*** Settings
FY 1977–1984

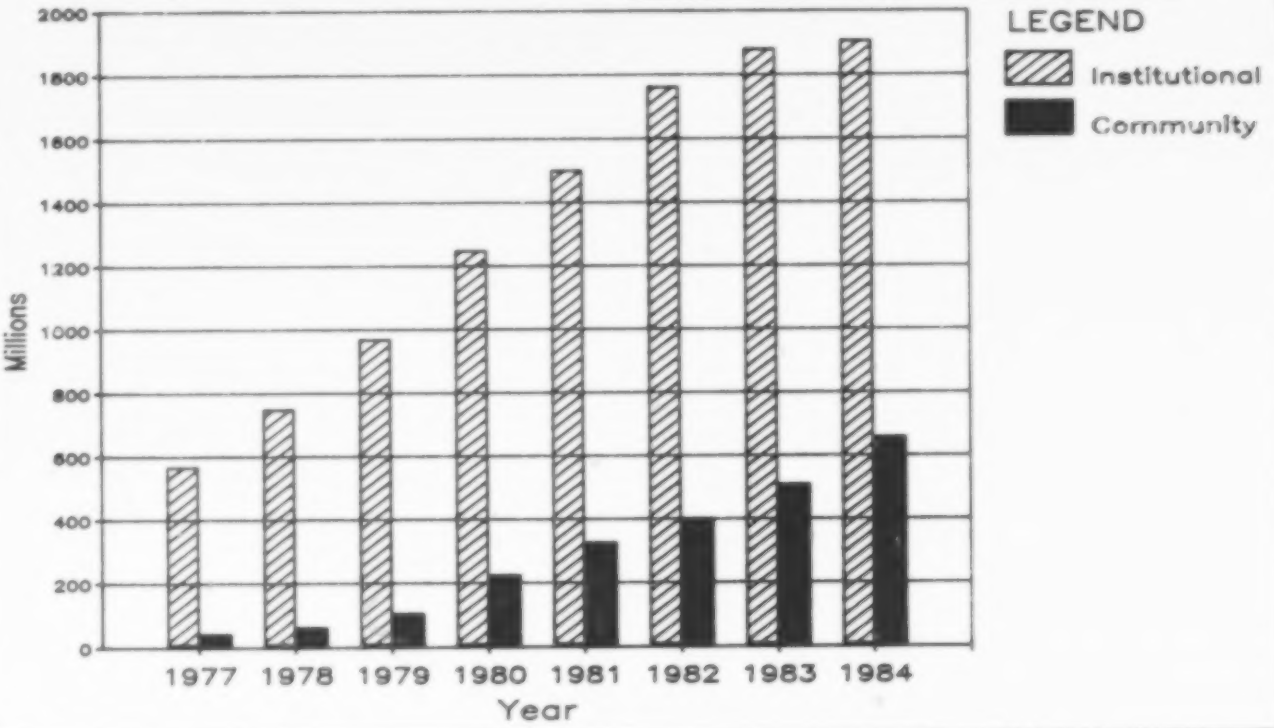


Total Dollars: $12.9 Billion

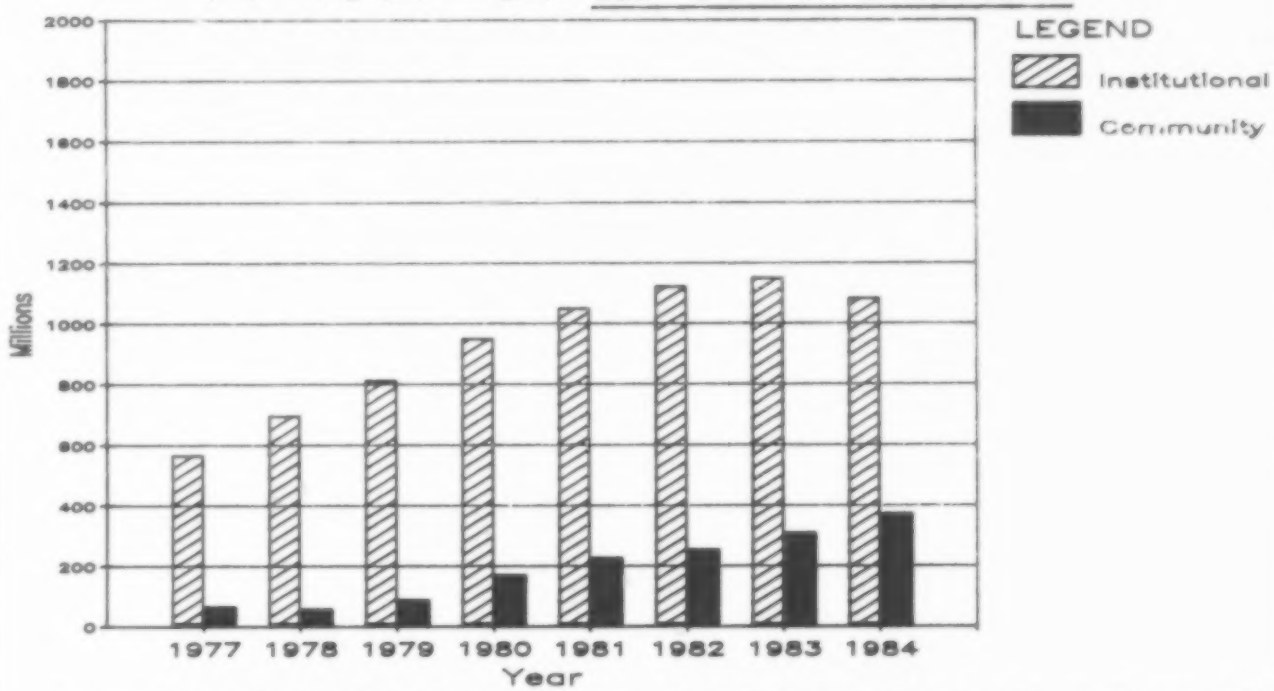
Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

A-42

UNITED STATES
Comparative Federal *Institutional* & *Community* Expenditures for the ICF/MR Program, FY 1977–84 *In Unadjusted Dollars*

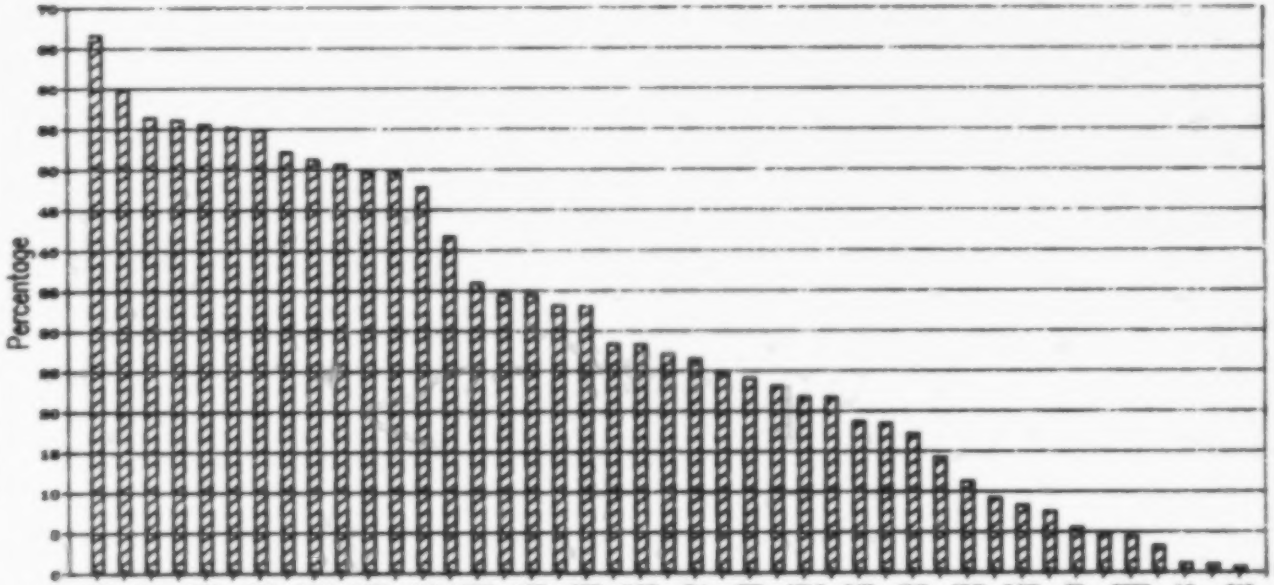


FY 1977–84 *In 1977 Dollars*



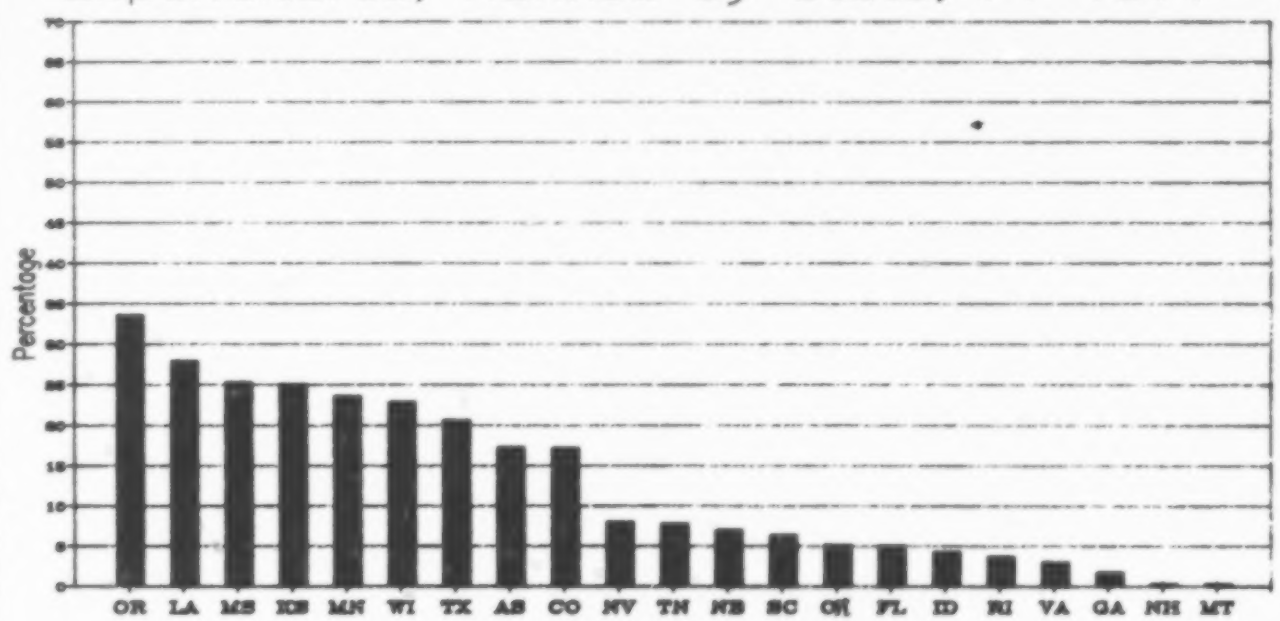
Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Federal ICF/MR Reimbursements as a Percentage of Total *Institutional* Expenditures , Ranked by State, FY 1977


Percentage
AR LA TN WI MN UT AS TX NB VT MS CA SD NM MI CO NC MS IL HW AL IN
OH RI KY KS IA ID OR GA MO VA DC PA MT NY SC MD OK ME FL NV WA
State Name

8 States had no Federal ICF/MR Reimbursements

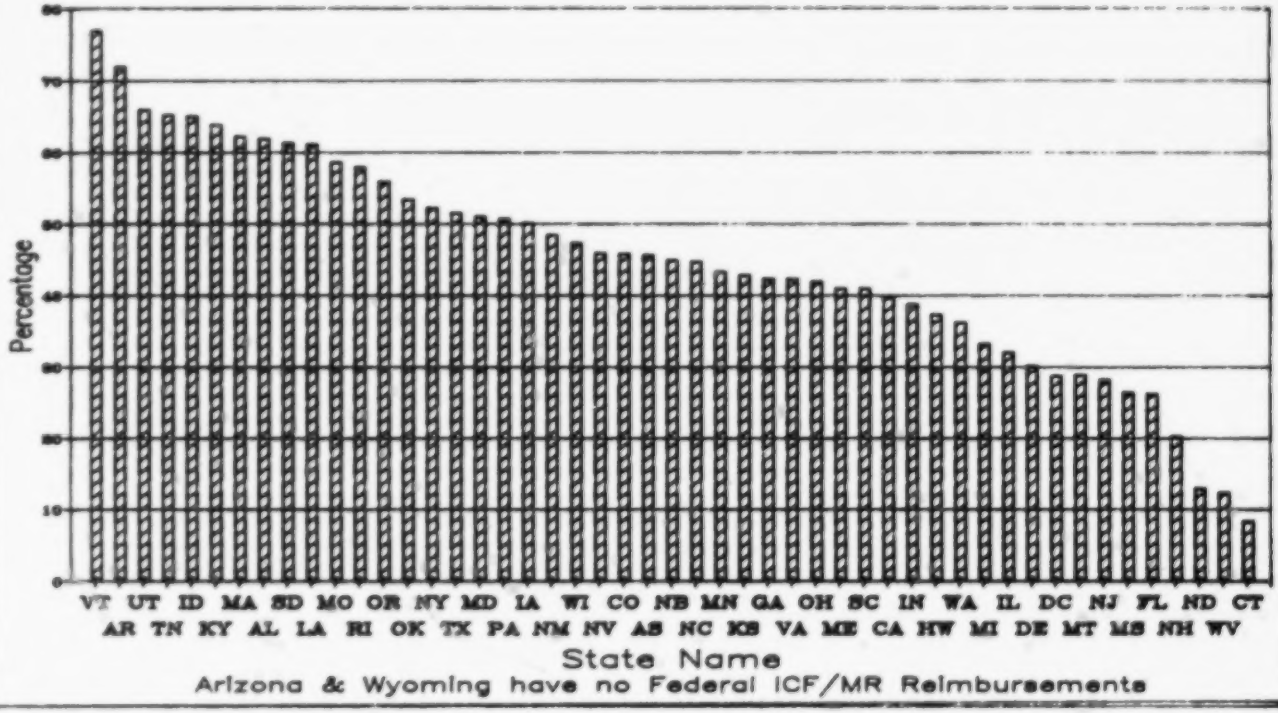
Federal ICF/MR Reimbursements as a Percentage of Total *Community* Expenditures, Ranked by State, FY 1977



30 States had no Federal ICF/MR Reimbursements

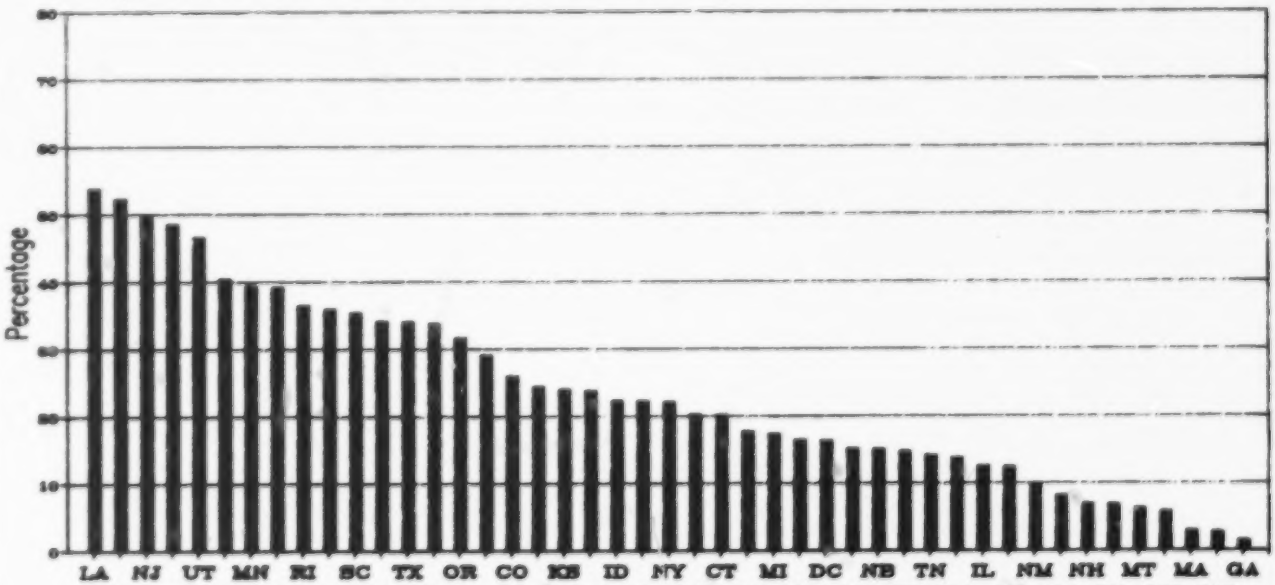
Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Federal ICF/MR Reimbursements as a Percentage of Total *Institutional* Expenditures, Ranked by State, FY 1984


Percentage
VT UT ID MA SD MO OR NY MD IA WI CO NB MN GA OH SC IN WA IL DC NJ FL ND CT
AR TN KY AL LA RI OK TX PA NM NV AS NC KS VA ME CA HW MI DE MT MS NH WV
State Name

Arizona & Wyoming have no Federal ICF/MR Reimbursements

Federal ICF/MR Reimbursements as a Percentage of Total *Community* Expenditures, Ranked by State, FY 1984

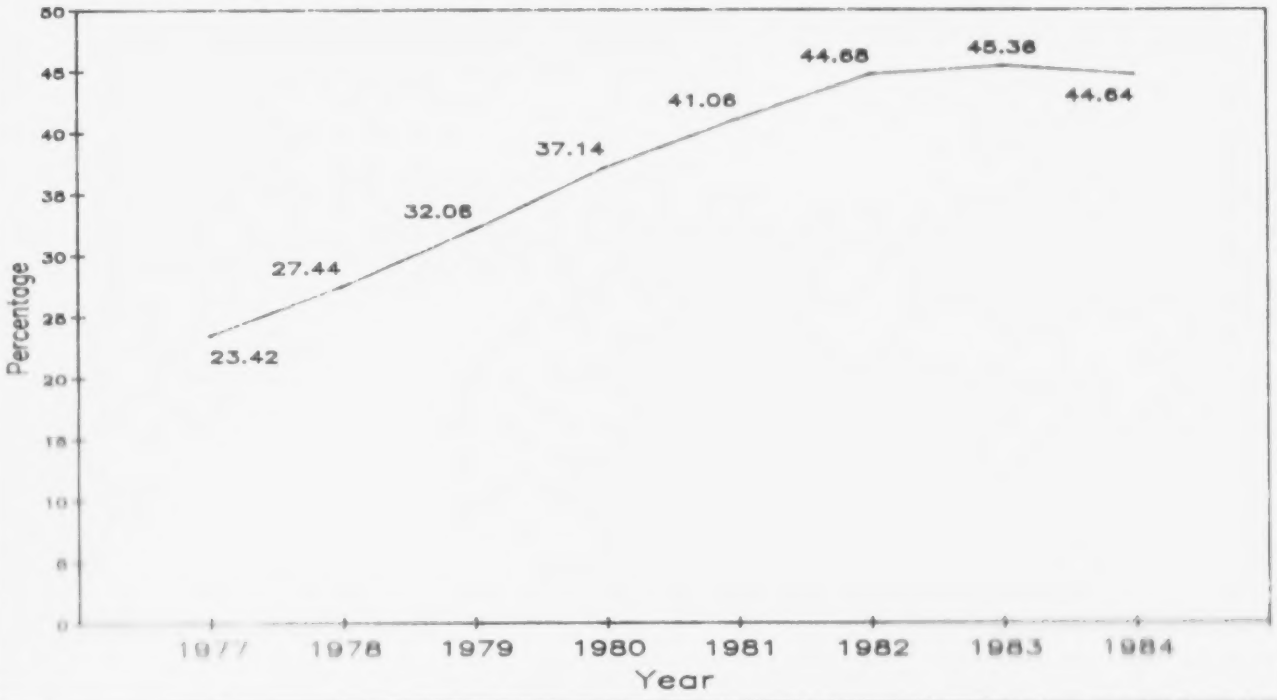

Percentage
LA NJ UT MN RI SC TX OR CO KS ID NY CT MI DC NB TN IL NM NH MT MA GA
KY SD MS VT AL ME FL WA DE WI NV OH IA NC AS ND PA IN CA VA MD MO
State Name

6 States have no Federal ICF/MR Reimbursements

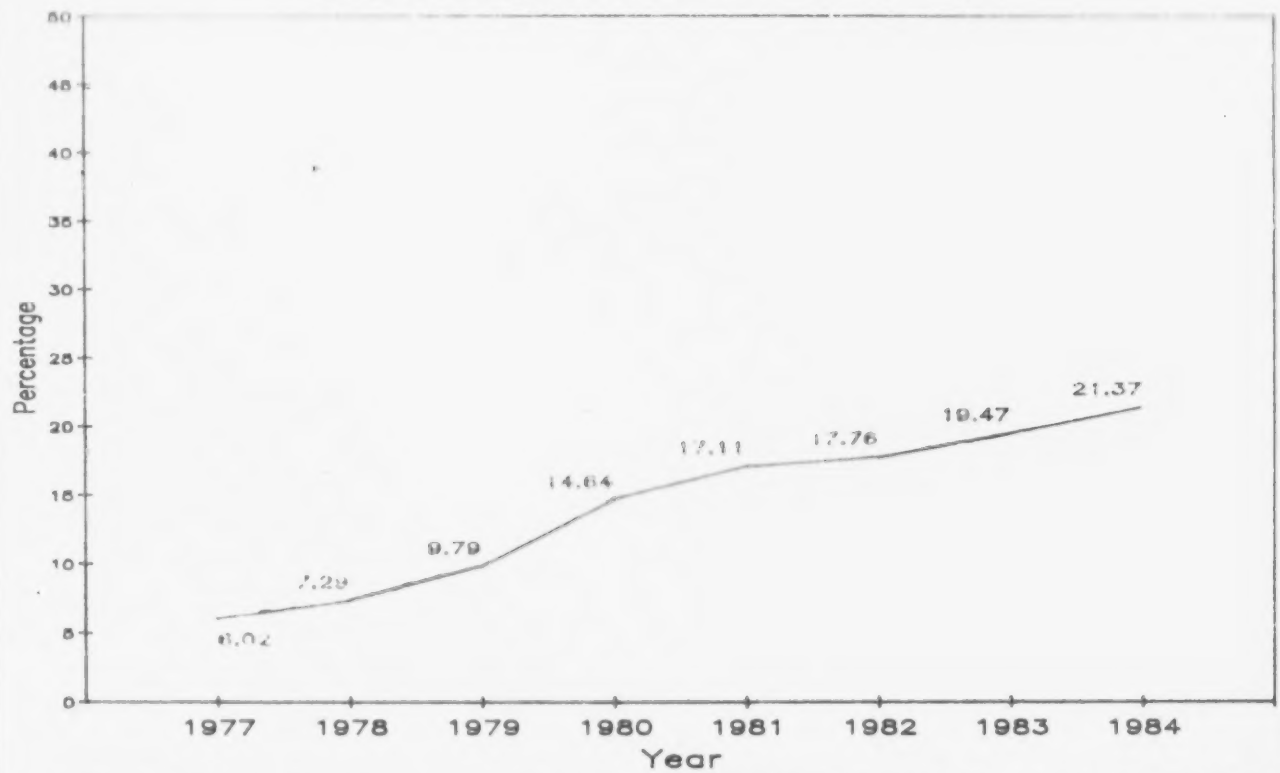
Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

UNITED STATES

The Growth of Federal ICF/MR Reimbursements as a Percentage of Total State–Federal Expenditures for *Institutional* Services: FY 1977–84



Community Services: FY 1977–84



Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

SECTION F

DAILY EXPENDITURE AND POPULATION TRENDS IN INSTITUTIONAL SERVICES

1. United States, Daily Expenditures Per Resident in Public MR/DD Institutions: FY 1977 - 1984. . . . . page 49

Daily expenditures per resident of public MR/DD institutions in the United States are presented in this chart. Sometimes referred to as "per diems," these figures are a result of dividing each year's Institutional Services expenditures by that year's "average daily residents" of institutions, and then dividing by 365 days (366 in leap years). The top chart reflects daily expenditures per resident in unadjusted and constant dollars. The bottom chart presents, for each year, the total number of institutional residents.

2. Daily Expenditures Per Resident in Public MR/DD Institutions, Ranked by State:FY 1977 and 1984. . . . . page 50

This two-part chart ranks States according to their daily expenditures per resident in FY 1977 (top chart) and in FY 1984 (bottom chart). States are ranked from highest to lowest.

3. Population Trends in MR/DD Institutions in the United States: FY 1977 and 1984. . . . . page 51

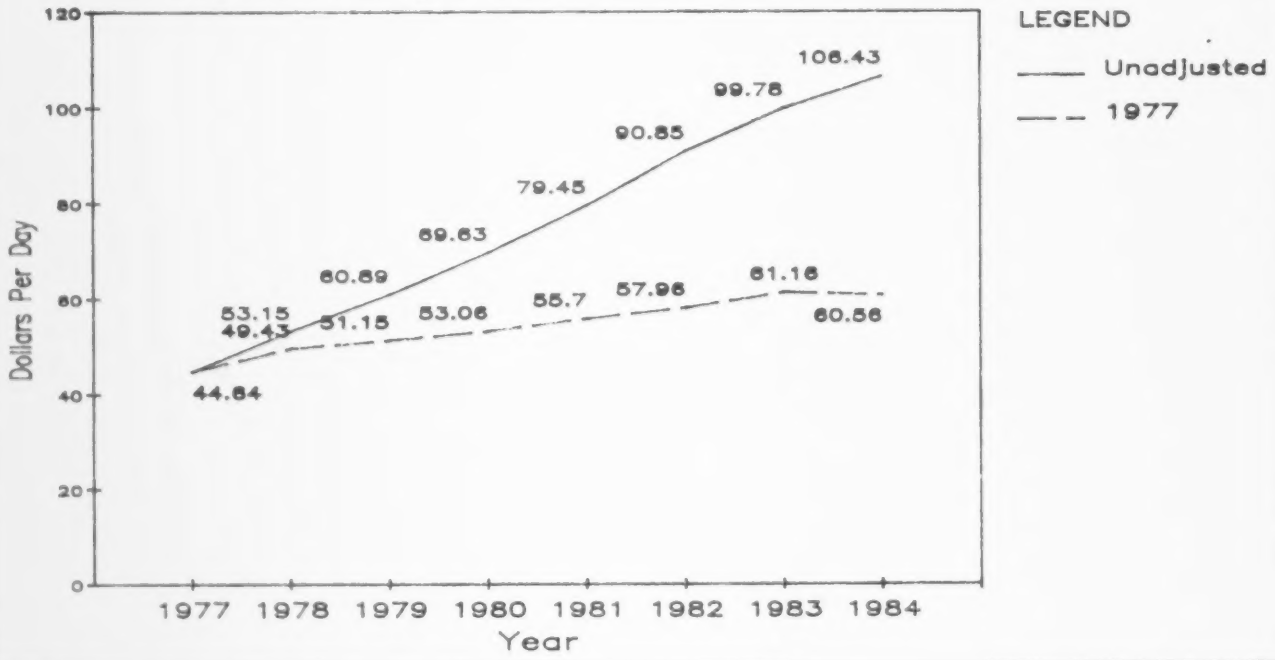
This chart represents the changes from FY 1977 to FY 1984 in States' populations in MR/DD Institutions. The States are ranked from highest to lowest in terms of the FY 1977 population: the cross-hatched portion of the bar for each State represents the FY 1984 population, and this combined with the solid portion on top sums to the FY 1977 population. Thus, the FY 1977 populations ranged from nearly 19,000 (New York) to about 100 (Alaska), while the FY 1984 populations range from about 12,000 (New York) to slightly under 100 (Alaska).

Because of the great difference in institutional populations from state to state, the chart has been presented in two parts, so that separately scaled Y-axes can better present each state's population trend. It should also be noted that Louisiana, Tennessee, Mississippi and Nevada had population increases during this period, and are therefore left off the chart. Their populations were:
1977--La., 3245; Ms., 1720; Nv., 118; Tn., 2071
1984--La., 3270; Ms., 1790; Nv., 166; Tn., 2152

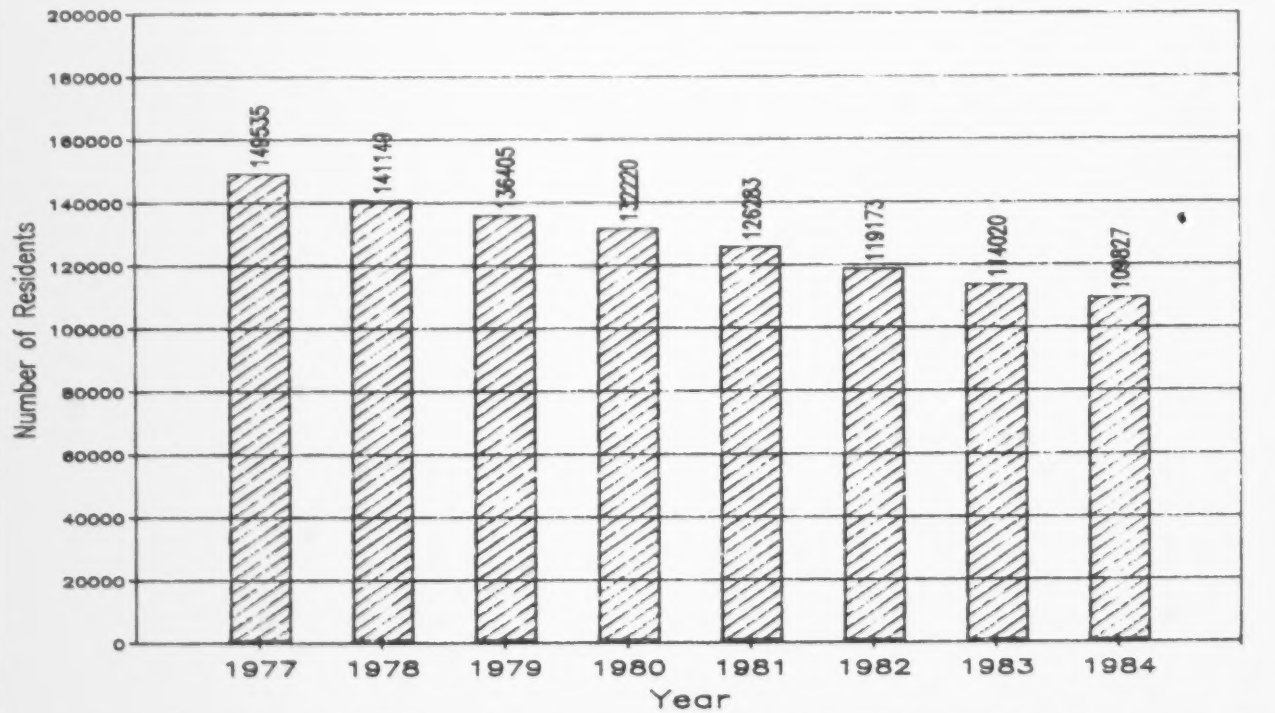
4. Depopulation Rates of Public MR/DD Institutions, Ranked by State: FY 1977 to FY 1984. . . . . .page 52

This chart presents rates of change, expressed as percentages, in state-by-state institutional populations across the 1977 - 84 period. The rate of change, or depopulation rate, was determined by subtracting 1984 institutional populations from the 1977 census, and dividing the net result by the 1977 institutional population. Four states had increases in Institutional Populations during the period--in other words, the depopulation rate was a negative percentage. Three of these states are represented on the Chart as bars which go below the "0" mark on the Y-Axis. The fourth, Nevada, had a 41% increase during the period and is left off the chart since its large negative percentage would distort the scale.

UNITED STATES
Daily Expenditures Per Resident in Public MR/DD Institutions: FY 1977--84
In Unadjusted & 1977 Dollars



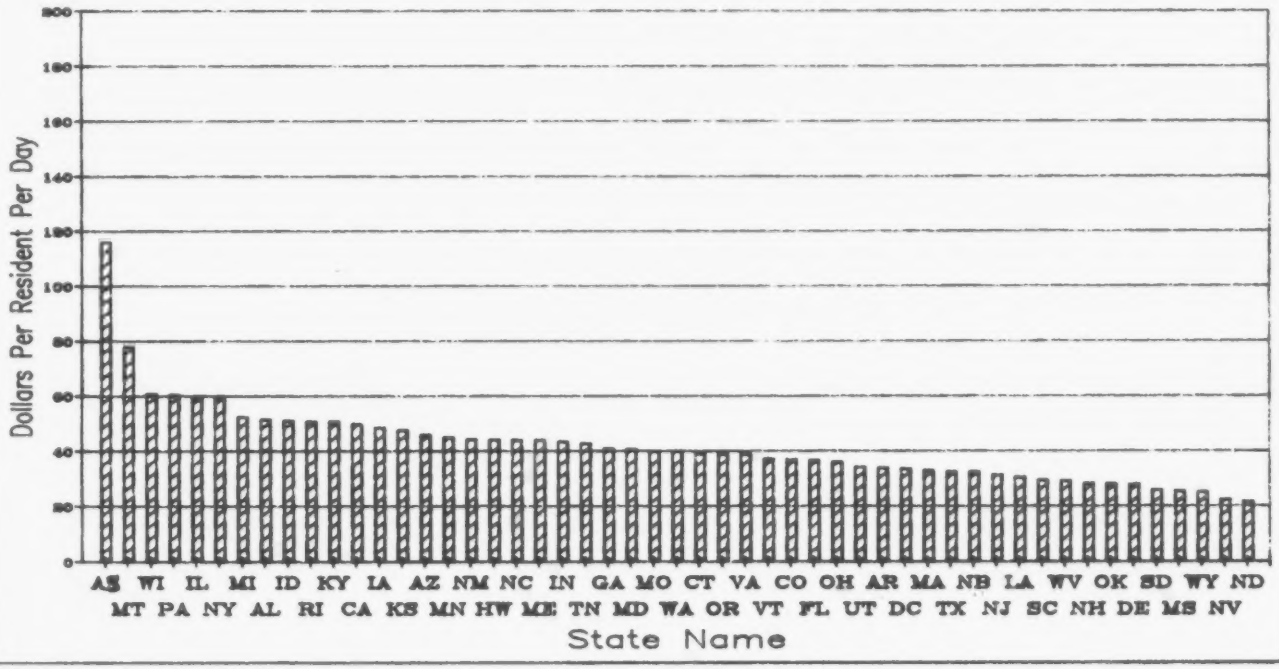
Average Daily Residents in Institutions FY 1977–1984



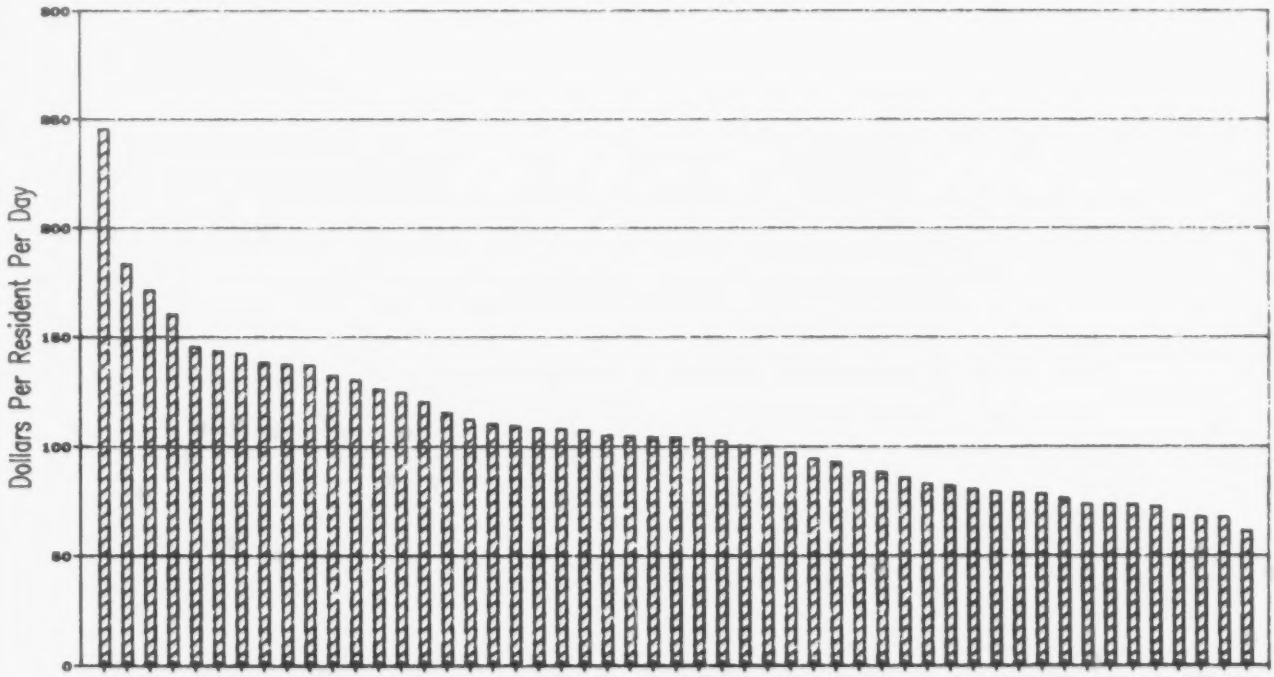
Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Daily Expenditures Per Resident in Public MR/DD Institutions, Ranked by State: FY 1977 and 1984

FY 1977

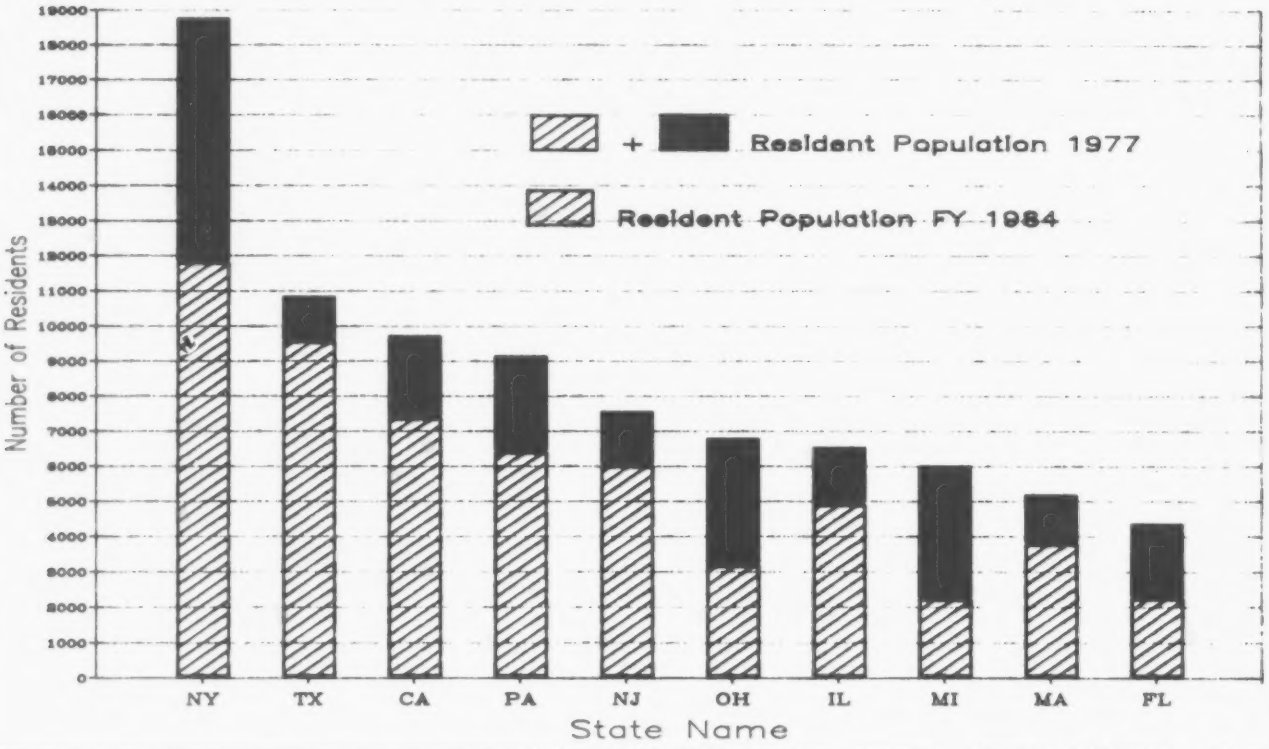

Dollars Per Resident Per Day
AS WI IL MI ID KY IA AZ NM NC IN GA MO CT VA CO OH AR MA NB LA WV OK SD WY ND
MT PA NY AL RI CA KS MN HW ME TN MD WA OR VT FL UT DC TX NJ SC NH DE MS NV
State Name

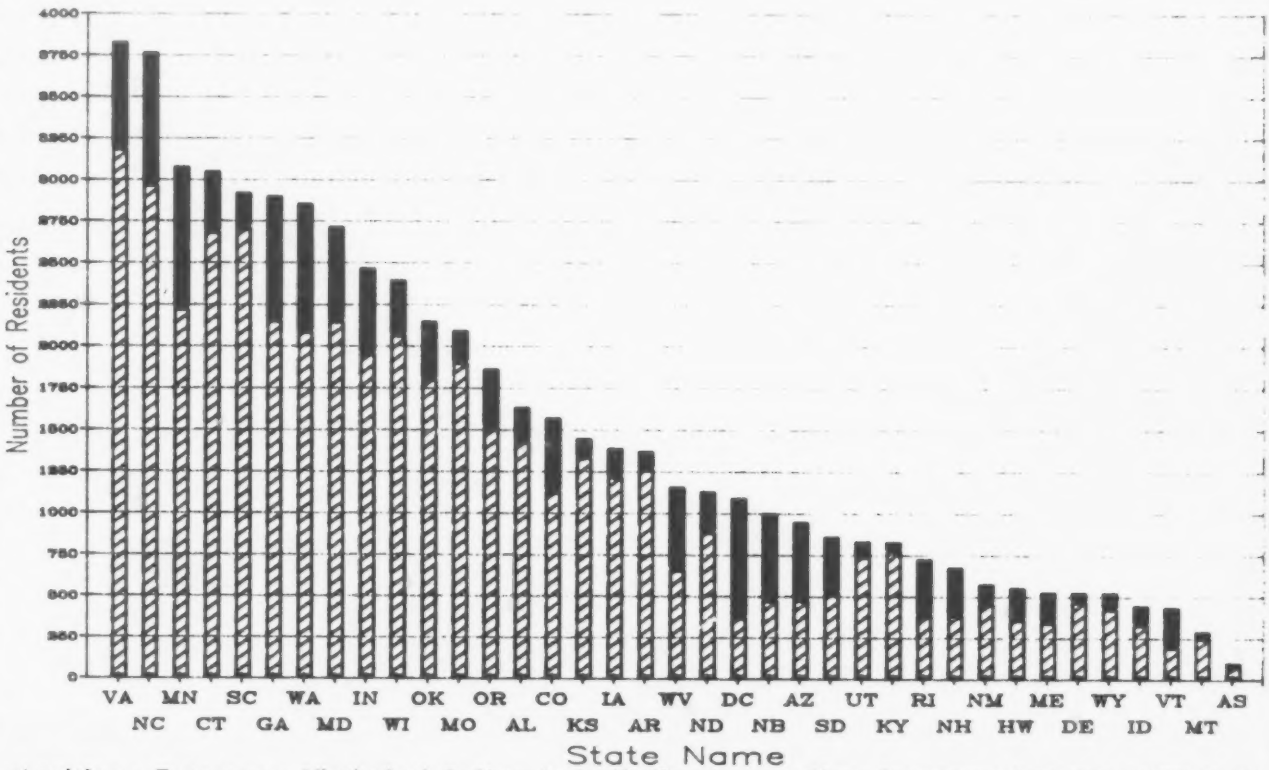
FY 1984


Dollars Per Resident Per Day
AS AZ NH NY MA ME PA OH IL AL WI WA IA HW FL WY AR KS VA MO TN SD UT IN SC MS
DC MI CT RI MT NV CA MN NM VT NC GA NB ID NJ MD KY CO ND OR OK LA DE TX WV
State Name

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984

Population Trends in MR/DD Institutions in the United States: FY 1977 & 1984

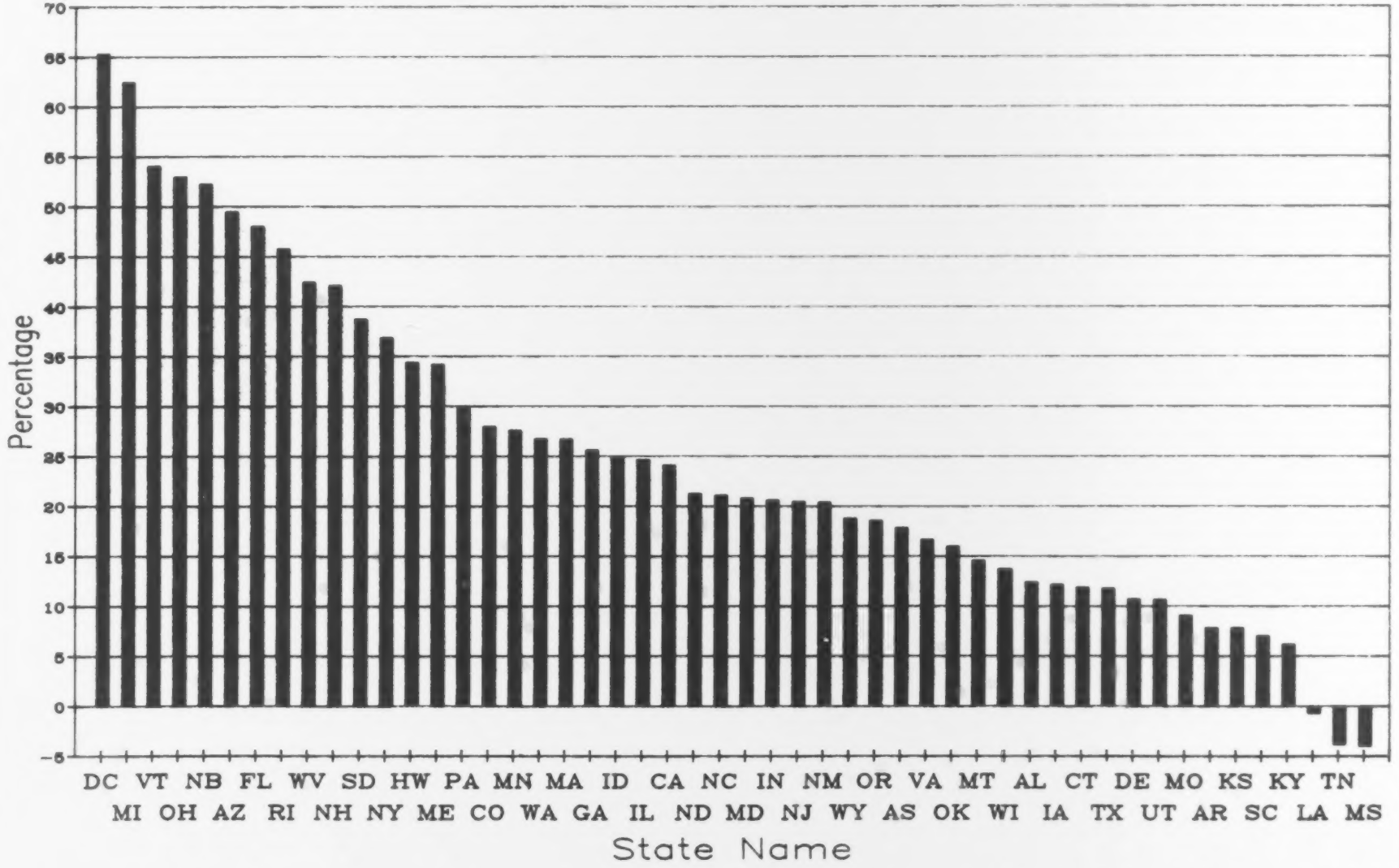




*Louisiana, Tennessee, Mississippi & Nevada institutional populations increased between 1977 & 84

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

Depopulation Rates of Public Mental Retardation Institutions: FY 1977–84, By State



Source: Braddock, Howes & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chicago, 1984

SECTION G

THE INCLUSION OF SSI STATE SUPPLEMENTATION WITH COMMUNITY SERVICES SPENDING IN RANKINGS OF FISCAL EFFORT

1. Table IV: Fiscal Effort for Community Services, Institutional Services, & for Both Sectors Combined: FY 1984 . . . . . page 54

The discussion above (page 38) on "Measuring Fiscal Effort in the States (1984)" provided a table (Table I) which ranked states according to the average of their rankings on three measures of fiscal effort: 1) expenditures as a share of the total state budget; 2) expenditures as a share of statewide personal income; and, 3) expenditures on a per capita basis (per member of the general population). Table I had presented these fiscal effort rankings for states' Community Services, for Institutional Services, and for Both Sectors Combined.

Table IV utilizes the same approach to rank states' fiscal effort, with one exception: Supplemental Security Income (SSI) State Supplementation figures have been included with Community Services expenditures. As can be seen by comparing Table IV to Table I (page 39), there are slight adjustments in the rankings within Community Services, and for Both Sectors Combined, when SSI State Supplementation is added to Community Services expenditures.

Forty-five states and the District of Columbia supplemented SSI payments between 1977-84 to qualified individuals who were mentally retarded (MD, NM, TX, UT and WV did not). In 1984, 23 states and D.C. had federally administered state supplement programs; and 22 states had state administered state supplements. Between 1977 84, state supplementation payments to payees with a mental retardation diagnosis grew from $226 million nationally to $328 million.

Few states supplement SSI payments extensively. In fact, five states appropriated 80% of total SSI supplements available nationally in 1984: California ($189 million), Michigan ($12 million), New York ($37 million), Pennsylvania ($12 million) and Wisconsin ($11 million).

TABLE IV

Fiscal Effort for Community Services, Institutional Services, & for Both Sectors Combined: FY 1984

Note: COMMUNITY INCLUDES SSI STATE SUPPLEMENT

	1984 Community Services		1984 Institutional Services		1984 Both Sectors Combined	
1	MINNESOTA	1.33	CONNECTICUT	1.33	NEW YORK	1.67
2	RHODE ISLAND	3.33	NEW YORK	3.33	CONNECTICUT	3.00
3	NEW HAMPSHIRE	3.67	MASSACHUSETTS	3.67	MINNESOTA	4.33
4	NEW YORK	3.67	NORTH DAKOTA	4.00	NEW HAMPSHIRE	6.00
5	NEBRASKA	4.00	PENNSYLVANIA	6.67	PENNSYLVANIA	6.33
6	PENNSYLVANIA	5.67	NEW JERSEY	7.33	RHODE ISLAND	6.33
7	CALIFORNIA	9.00	SOUTH DAKOTA	9.67	NORTH DAKOTA	6.67
8	MICHIGAN	10.33	NEW HAMPSHIRE	10.67	MASSACHUSETTS	7.00
9	MAINE	11.00	SOUTH CAROLINA	11.00	NEW JERSEY	11.67
10	MONTANA	11.33	NORTH CAROLINA	12.00	SOUTH DAKOTA	12.00
11	OHIO	12.33	MINNESOTA	12.67	NEBRASKA	13.33
12	MASSACHUSETTS	13.00	RHODE ISLAND	13.00	MAINE	16.00
13	VERMONT	16.00	WYOMING	13.00	DIST OF COLUM	16.33
14	COLORADO	16.33	ARKANSAS	14.33	LOUISIANA	16.67
15	WISCONSIN	16.67	DIST OF COLUM	14.67	MONTANA	17.33
16	DIST OF COLUM	18.33	DELAWARE	16.00	WYOMING	19.33
17	LOUISIANA	19.33	LOUISIANA	17.33	WISCONSIN	19.67
18	FLORIDA	19.67	VIRGINIA	20.00	MICHIGAN	20.33
19	CONNECTICUT	20.33	KANSAS	20.67	VERMONT	21.33
20	SOUTH DAKOTA	20.67	ILLINOIS	21.33	GEORGIA	21.67
21	NORTH DAKOTA	21.00	MISSISSIPPI	21.33	ILLINOIS	21.67
22	GEORGIA	21.33	IOWA	24.33	OHIO	23.33
23	IDAHO	22.33	WISCONSIN	24.33	NORTH CAROLINA	23.67
24	NEW JERSEY	23.00	WASHINGTON	25.67	CALIFORNIA	24.67
25	WASHINGTON	23.00	ALABAMA	26.00	WASHINGTON	24.67
26	ILLINOIS	24.67	MONTANA	26.00	KANSAS	26.00
27	IOWA	26.33	VERMONT	26.33	SOUTH CAROLINA	26.00
28	MISSOURI	26.67	TEXAS	27.33	IOWA	26.33
29	ALASKA	27.00	MAINE	28.00	ARKANSAS	29.00
30	WYOMING	28.33	OREGON	28.33	COLORADO	29.00
31	MARYLAND	30.33	GEORGIA	28.67	IDAHO	30.00
32	UTAH	31.33	TENNESSEE	28.67	MARYLAND	31.33
33	KANSAS	31.67	MARYLAND	29.33	TEXAS	31.33
34	INDIANA	32.67	OKLAHOMA	33.67	MISSISSIPPI	32.00
35	OREGON	34.00	IDAHO	36.33	ALASKA	34.33
36	TEXAS	34.67	MISSOURI	37.00	FLORIDA	34.33
37	ARIZONA	37.33	OHIO	37.33	OREGON	34.67
38	NORTH CAROLIN	37.33	MICHIGAN	37.67	MISSOURI	35.33
39	MISSISSIPPI	39.00	NEBRASKA	38.33	DELAWARE	36.00
40	NEW MEXICO	39.00	NEW MEXICO	38.33	VIRGINIA	36.67
41	KENTUCKY	40.00	UTAH	39.33	UTAH	37.00
42	HAWAII	41.67	HAWAII	41.00	TENNESSEE	40.00
43	SOUTH CAROLIN	42.67	ALASKA	42.00	NEW MEXICO	40.33
44	ARKANSAS	43.33	CALIFORNIA	42.00	ALABAMA	42.33
45	TENNESSEE	43.67	COLORADO	44.33	HAWAII	43.33
46	VIRGINIA	44.00	ARIZONA	44.67	INDIANA	43.33
47	DELAWARE	47.33	FLORIDA	45.33	ARIZONA	46.00
48	ALABAMA	47.67	INDIANA	45.33	OKLAHOMA	47.33
49	NEVADA	48.00	WEST VIRGINIA	47.33	KENTUCKY	48.67
50	WEST VIRGINIA	49.67	NEVADA	49.33	WEST VIRGINIA	50.00
51	OKLAHOMA	51.00	KENTUCKY	49.67	NEVADA	50.33

* Includes SSI State Supplementation *

Source: Braddock, Howes, & Hemp, Expenditure Analysis Project, ISDD, U of IL at Chgo, 1984